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## POSEIDON NICKEL LIMITED

ABN 60 060 525 206

## NOTICE OF 2015 ANNUAL GENERAL MEETING

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TIME: 10:00am (AWST)

DATE: Thursday, 26 November 2015

PLACE: KPMG Building  
Boardroom 1  
Level 8  
235 St Georges Terrace  
PERTH WA 6000

**The Annual Report is now available on the Company's website via the following link:**

**<http://www.poseidon-nickel.com.au/>**

This is an important document. If you are in any doubt as to how to act, you should consult your financial or legal adviser as soon as possible.

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## **TIME AND PLACE OF MEETING AND HOW TO VOTE**

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### **VENUE**

The 2015 Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at

- 10.00am (AWST) on Thursday, 26 November 2015
- KPMG Building  
Boardroom 1  
Level 8  
235 St Georges Terrace  
PERTH WA 6000

### **YOUR VOTE IS IMPORTANT**

The business of the Annual General 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 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:

- post to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001;
- send by facsimile to Computershare Investor Services Pty Limited on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

so that it is received not later than 10.00am (AWST) on Tuesday, 24 November 2015.

**Proxy Forms received later than this time will be invalid.**

### **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 5.00pm (AWST) on Tuesday, 24 November 2015.

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## NOTICE OF 2015 ANNUAL GENERAL MEETING

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Notice is given that the 2015 Annual General Meeting of Poseidon Nickel Limited will be held at 10.00 am (AWST) on Thursday, 26 November 2015 at KPMG Building, Boardroom 1, Level 8, 235 St Georges Terrace, Perth, WA.

The Explanatory Memorandum to this Notice of Meeting forms part of the Notice and provides additional information on matters to be considered at the Annual General Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Memorandum are defined in the Glossary.

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## AGENDA

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### Adoption of Annual Financial Report

To receive the Annual Financial Report, including Directors' Declaration and accompanying Reports of the Directors and Auditors for the Financial Year ending 30 June 2015.

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## NON-BINDING Resolution

### 1. Adoption of Remuneration Report

*"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 2015."*

**VOTING EXCLUSION STATEMENT:** In accordance with Section 250R of the Corporations Act, a vote on Resolution 1 must not be cast by, or on behalf of, a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

However, a vote may be cast by such person if:

- (a) That person is acting as proxy, the proxy form specifies how the proxy is to vote and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) The person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel

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## ORDINARY Resolutions

### 2. Re-election of Mr Christopher Indermaur as Director

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

*"That, in accordance with clause 13.2 of the Company's Constitution and for all other purposes, Mr Christopher Indermaur, who retires by rotation in accordance with the Company's Constitution, offers himself for re-election and is hereby re-elected as a director of the Company."*

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### 3. Ratification of 12,156,143 Shares Already Issued – Reset of 15% Threshold

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 the previous issue of 12,156,143 Shares in the capital of the Company to Jefferies LLC for the purpose and on the terms and conditions set out in the Explanatory Memorandum"*.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Jefferies LLC and any associates of Jefferies LLC. However, the Company need not disregard a vote if 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, the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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#### 4. Ratification of 12,417,913 Shares Already Issued – Reset of 15% Threshold

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 the previous issue of 12,417,913 Shares by way of private placement to sophisticated and exempt investor clients of the Company, as described in the Explanatory Memorandum”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if 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, the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 5. Ratification of 863,636 Shares Already Issued – Reset of 15% Threshold

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 the previous issue of 863,636 Shares in the capital of the Company to Braziliant Pty Ltd for the purpose and on the terms and conditions set out in the Explanatory Memorandum”.*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Braziliant Pty Ltd and any associates of Braziliant Pty Ltd. However, the Company need not disregard a vote if 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, the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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#### 6. Adoption of Director Fees Performance Rights Plan

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

*“That, for the purposes of Exception 9 to ASX Listing Rule 7.2 and for all other purposes, adoption of the following plan be approved:*

- (a) the establishment and operation of a performance rights plan to be called the “Poseidon Nickel Limited Director Fees Performance Rights Plan” (**Director Fees Rights Plan**) for the grant of Performance Rights in satisfaction of Director Fees; and*
- (b) the grant of Performance Rights and the subsequent issue or transfer of Shares to participants under the Director Fees Rights Plan,*

*as described in the accompanying Explanatory Memorandum.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Pursuant to the Corporations Act, the Company's Key Management Personnel or Closely Related Person are not permitted to cast a vote as a Proxy for a person permitted to vote, unless the Proxy Form:

- authorises the Chair to exercise the proxy vote; and
  - expressly authorises the Chair to exercise the proxy vote even though this Resolution is connected directory or indirectly with remuneration of a member of the Key Management Personnel
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## 7. Adoption of Incentive Performance Rights Plan

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

*“That, for the purposes of Exception 9 to ASX Listing Rule 7.2 and for all other purposes, the following plan be approved:*

- (a) the establishment and operation of an incentive plan to be called the “Poseidon Nickel Limited Incentive Performance Rights Plan” (**Incentive Rights Plan**) for the grant of Performance Rights to the employees and other persons who the Board declares are eligible to receive Performance Rights; and*
- (b) the grant of Performance Rights and the subsequent issue or transfer of Shares to participants under the Incentive Rights Plan,*

*as described in the accompanying Explanatory Memorandum.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Pursuant to the Corporations Act, the Company’s Key Management Personnel or Closely Related Person are not permitted to cast a vote as a Proxy for a person permitted to vote, unless the Proxy Form:

- authorises the Chair to exercise the proxy vote; and
- expressly authorises the Chair to exercise the proxy vote even though this Resolutions is connected directory or indirectly with remuneration of a member of the Key Management Personnel

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## 8. Approval for the issue of Performance Rights under the Director Fees Performance Rights Plan to Mr Robert Dennis in Satisfaction of Director Fees for the Financial Year ending 30 June 2016

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 10.14, section 195(4) of the Corporations Act and for all other purposes, and subject to the approval Resolution 6, the Company is authorised pursuant to the “Poseidon Nickel Limited Director Fees Performance Rights Plan to grant Performance Rights in the Company up to the value of \$62,831.00 to Mr Robert Dennis (or his nominee) in satisfaction of director’s fees for the financial year ending on 30 June 2016 on the terms set out in the Explanatory Memorandum accompanying this Notice.”*

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## 9. Approval for the issue of Performance Rights under the Director Fees Performance Rights Plan to Mr Geoffrey Brayshaw in Satisfaction of Director Fees for the Financial Year ending 30 June 2016

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 10.14, section 195(4) of the Corporations Act and for all other purposes, and subject to the approval Resolution 6, the Company is authorised pursuant to the “Poseidon Nickel Limited Director Fees Performance Rights Plan to grant Performance Rights in the Company up to the value of \$72,831.00 to Mr Geoffrey Brayshaw (or his nominee) in satisfaction of director’s fees for the financial year ending on 30 June 2016 on the terms set out in the Explanatory Memorandum accompanying this Notice.”*

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**10. Approval for the issue of Performance Rights under the Director Fees Performance Rights Plan to Mr Christopher Indermaur in Satisfaction of Director Fees for the Financial Year ending 30 June 2016**

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 10.14, section 195(4) of the Corporations Act and for all other purposes, and subject to the approval Resolution 6, the Company is authorised pursuant to the “Poseidon Nickel Limited Director Fees Performance Rights Plan to grant Performance Rights in the Company up to the value of \$93,500.00 to Mr Christopher Indermaur (or his nominee) in satisfaction of director’s fees for the financial year ending on 30 June 2016 on the terms set out in the Explanatory Memorandum accompanying this Notice.”*

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**VOTING EXCLUSION STATEMENT FOR RESOLUTIONS 8 to 10**

The Company will disregard any votes cast on Resolutions 8 to 10 by any Director, including their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or by the Chair the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Pursuant to the Corporations Act, the Company’s Key Management Personnel or Closely Related Person are not permitted to cast a vote as a Proxy for a person permitted to vote, unless the Proxy Form:

- authorises the Chair to exercise the proxy vote; and
- expressly authorises the Chair to exercise the proxy vote even though Resolutions 8 to 10 are connected directory or indirectly with remuneration of a member of the Key Management Personnel

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**SPECIAL Resolution**

**11. Approval of 10% Placement Capacity**

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

*“That, pursuant to and in accordance with Rule 7.1A of the Listing Rule of ASX Limited and for all other purposes, approval is given for the Company to allot and issue Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Rule 7.1A.2 of the Listing Rules for the purposes and on the terms set out in the Explanatory Memorandum accompanying this Notice.”*

**VOTING EXCLUSION STATEMENT:** The Company will disregard any votes cast on this Resolution by any person (and any associates of such a person) who may participate in the 10% Placement Capacity and a person who may obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

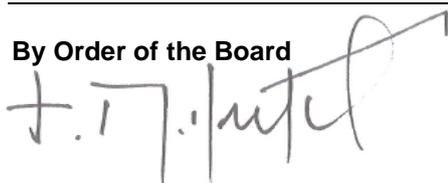
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**General Business**

To consider any other business that may be brought forward in accordance with the Constitution of the Company or the Corporation Act.

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**By Order of the Board**



**Ross Kestel**  
**Company Secretary**  
12 October 2015

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## **EXPLANATORY MEMORANDUM**

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This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the 2015 Annual General Meeting of Shareholders to be held on Thursday, 26 November 2015 at 10.00am (AWST).

The purpose of this Explanatory Memorandum is to provide Shareholders with all information known to the Company, which is material to a decision on how to vote on the resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice and is a brief explanation of the matters for which Shareholder approval is sought in each Resolution.

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## **ANNUAL FINANCIAL REPORT**

Section 317 of the Corporations Act requires the directors to lay before the Annual General Meeting the financial report, the directors' report (including the Remuneration Report) and the auditor's report for the last financial year that ended 30 June 2015.

Neither the Corporations Act nor the Company's Constitution requires a vote of Shareholders on the reports or statements.

In accordance with sections 250S and 250SA of the Corporations Act, Shareholders present at the Annual General Meeting will be provided with a reasonable opportunity to:

- (a) Ask questions or make comment to the Directors' present on the management of the Company and Remuneration Report; and
- (b) Ask questions or make comment to the Auditor about the conduct of the audit and the preparation and content of the Auditor's Report.

Shareholders who are unable to attend the Annual General Meeting are able to submit written questions to the Chairman about:

- (a) The preparation and the content of the 2015 Auditor's Report;
- (b) The conduct of the 2015 audit;
- (c) Accounting policies adopted by the Company in relation to the preparation of the 2015 financial statements; and
- (d) The independence of the Auditor in relation to the conduct of the 2015 audit

The questions will need to be submitted no later than five (5) business days (no later than Wednesday, 19 November 2015) before the Annual General Meeting to the Company Secretary at the Company's Registered Office.

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## **RESOLUTION 1 – ADOPTION OF 2015 REMUNERATION REPORT**

In accordance with Section 250R(2) of the Corporations Act at a listed company's Annual General Meeting, the Board is required to present the Company's Remuneration Report so that it can be put to a vote by the shareholders for adoption.

The Remuneration Report is incorporated into the Directors' Report contained in the 2015 Annual Report and in accordance with Section 300A of the Corporations Act contains the information that needs to be included in the Remuneration Report of the Company's annual report.

The Remuneration Report:

- Sets out the remuneration arrangements for each Director and for each of the KMP of the Company; and

- Explains the Board's policies in relation to the objectives and structure of remuneration

The Directors believe that the Company's remuneration policies and structures as outlined in the Remuneration Report are appropriate for the size of the Company, its business and objectives.

In accordance with Section 250SA of the Corporations Act, Shareholders will be given an opportunity to ask questions of the Directors in relation to the Remuneration Report.

The Remuneration Report is for consideration and adoption by way of a non-binding resolution. The vote on this Resolution is advisory only and does not bind the Directors of the Company to the outcome passed.

A failure of Shareholders to pass Resolution 1 will not require the directors to alter any of the arrangements in the Remuneration Reports and the Board will take into account the outcomes of the votes when considering the future remuneration arrangements of the Company.

The Director and Executive Remuneration Act which came into effect on 1 July 2011 provides Shareholders with the opportunity to remove the Board under the two strike rules.

The Remuneration Reports for the last four (4) years **DID NOT** receive a "no" vote of 25% or more when they were tabled at the respective Annual General Meetings.

**The Chairman intends to exercise all undirected proxies in favour of Resolution 1.**

**The Board of Directors unanimously recommends that Shareholders vote in favour of Resolution 1.**

### **Resolution 2 – Re-Election of Mr Indermaur**

In accordance with ASX Listing Rule 14.5; a public listed company must hold an election of directors each year, which is usually done at the Annual General Meeting. No director of a public listed company may hold office past the third Annual General Meeting following their appointment without re-election.

Clause 13.2 of the Company's Constitution requires that at the Company's Annual General Meeting one third of the Directors for the time being shall retire from office.

Poseidon Nickel Limited currently has three (3) Non-Executive Directors and accordingly, one (1) must retire but the director who retires by rotation under Clause 13.2 of the Constitution is eligible for re-election.

Mr Indermaur retires as a Director and being eligible, seeks re-election in accordance with clause 13.2 of the Constitution as a Non-Executive Director.

Mr Indermaur has over 30 years of experience in large Australian companies in Engineering or Commercial roles. Amongst these roles he was the Engineering and Contracts Manager for the QNI Nickel Refinery at Yabulu, Company Secretary for QAL and General Manager for Strategy and Development at Alinta Ltd.

Mr Indermaur holds a Bachelor of Engineering (Mechanical) and a Graduate Diploma of Engineering (Chemical) from the West Australian Institute of Technology (now Curtin University). He also holds a Bachelor of Laws and a Master of Laws from the Queensland University of Technology and a Graduate Diploma in Legal Practice from the Australian National University. Mr Indermaur is also the Chairman of Medibio Ltd.

Mr Indermaur has been a member of the Company's Board since April 2009 and serves on the following Committees:

- Member of Audit & Risk Management Committee; and
- Chairman of Remuneration, Nomination & Diversity Committee and Corporate Governance Committee

Following the annual review of the performance of Directors conducted by the Board, the Board (excluding Mr Indermaur) recommends the re-election of Mr Indermaur as a Director of the Company.

### **Resolution 3 - Ratification of 12,156,143 Shares Already Issued – Reset of 15% Threshold**

In accordance with the terms and conditions of a Convertible Note Deed between the Company and Jefferies LLC (Convertible Note Holder), interest is payable to the Convertible Note Holder at 5% per annum quarterly in arrears which can be paid by cash or through the issue of fully paid Ordinary Shares in the Company.

Poseidon in consultation and agreement with Jefferies LLC have resolved to satisfy the December 2014, March and June 2015 quarters interest payments through the issue of fully paid Ordinary Shares, thereby reserving the Company's cash balance.

Resolution 3 now seeks ratification by Shareholders pursuant to ASX Listing Rule 7.4 for the following fully paid Ordinary Shares, which have already been issued by the Company to Jefferies LLC:

<b>Number of Shares</b>	<b>Purpose of Issue</b>
2,984,747	December 2014 quarter Convertible Note interest payment
5,364,199	March 2015 quarter Convertible Note interest payment
3,807,197	June 2015 quarter Convertible Note interest payment

The 12,156,143 fully paid Ordinary Shares were issued under the Company's annual 15% placement capacity in accordance with ASX Listing Rule 7.1.

ASX Listing Rule 7.4 allows an issue of securities, for which Shareholder approval was not first obtained, to not be counted towards the 15% placement capacity when Shareholder approval for that issue is subsequently obtained. That is, ASX Listing Rule 7.4 permits an issue of securities to be approved retrospectively. It provides that an issue of securities is deemed to have been made with Shareholder approval if ASX Listing Rule 7.1 is not breached at the time the securities were issued and Shareholders subsequently approve (ratify) the issue.

As at 13 January, 02 April and 02 July 2015 the Company had 99,234,962, 93,870,763 and 86,122,152 Shares respectively available under its annual 15% placement capacity, therefore the issue did not breach ASX Listing Rule 7.1 and the issue had not previously been approved by the Shareholders of the Company in general meeting.

If shareholders ratify the issue of the 12,156,143 Shares, these Shares will not be counted as a new issue for the purposes of the annual 15% placement capacity.

ASX Listing Rule 7.5 requires the following information to be provided to Shareholders so that they can assess the merits of Resolution 3:

- a) the total number of Shares that have been issued to Jefferies LLC is 12,156,143 Shares;
- b) the deemed interest payments for the respective quarters payable in Shares was as follows:

<b>Number of Shares</b>	<b>Deemed Issue Price</b>	<b>Deemed Interest Payment</b>	<b>Issue Date</b>
2,984,747	0.1624	\$484,723 for December 2014 quarter	13 January 2015
5,364,199	0.1249	\$669,988 for March 2015 quarter	02 April 2015
3,807,197	0.1342	\$510,926 for June 2014 quarter	02 July 2015

The deemed Issue Price of the Shares was the VWAP for the relevant quarter;

- c) the Shares issued were all fully paid Ordinary Shares in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares;
- d) the Shares were issued to Jefferies LLC, a Convertible Note Holder;

- e) no funds were raised from the issue of the Shares as they were issued in satisfaction of a cash payment for the quarterly interest due and payable on the Convertible Notes;
- f) Jefferies LLC is not a related entity of Poseidon Nickel Limited; and
- g) At the time of issue, the Shares comprised approximately 0.4%, 0.8% and 0.5% of the Company's Share Capital

The Board recommends Shareholders vote in favour of Resolution 3 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 without the requirement to obtain prior Shareholder approval.

Furthermore, the Company was able to preserve its cash reserves as a result of being able to offer Shares in payment of quarterly interest payments.

#### **Resolution 4 - Ratification of 12,417,913 Shares Already Issued – Reset of 15% Threshold**

On 10 October 2014, Poseidon announced that it had completed the Placement of 166,666,667 fully paid Ordinary Shares to strategic, professional and sophisticated investors as defined under Section 708 of the Corporations Act.

The Company sought approval for this issue at a General Meeting of Shareholders on 26 November 2014. Shareholders at that time voted unanimously in favour of the Placement for capital raising purposes. The length of time that the Company had to issue the Placement Shares was within three (3) months from 26 November 2014.

For a number of the potential investors their financial situation had altered by the time they were required to provide the application funds. Through discussion and agreement, the Company accepted the delayed payments of the funds from several potential investors as their financial situation changed and over the course of the last six (6) months further Placement funds have been received.

Resolution 4 now seeks ratification by Shareholders pursuant to ASX Listing Rule 7.4 for the issue of 12,417,913 Shares, which have already been issued by the Company.

The 12,417,913 fully paid Ordinary Shares were issued under the Company's annual 15% placement capacity in accordance with ASX Listing Rule 7.1.

A summary of ASX Listing Rule 7.4 has been disclosed in Resolution 3.

As at the respective issue dates, the Company had sufficient Shares available under its annual 15% placement capacity, therefore the issues did not breach ASX Listing Rule 7.1 and the issue had not previously been approved by the Shareholders of the Company in general meeting.

If shareholders ratify the issue of the 12,417,913 Shares, these Shares will not be counted as a new issue for the purposes of the annual 15% placement capacity.

ASX Listing Rule 7.5 requires the following information to be provided to Shareholders so that they can assess the merits of Resolution 4:

The Board considers that the ratification of the issue of the Shares described above is beneficial for the Company as it provides the flexibility to issue up to the maximum number of shares permitted under ASX Listing Rule 7.1 in the next 12 months (without further shareholder approval), should it be required.

- a) the total number of fully paid Ordinary Shares that have been issued to strategic, professional and sophisticated investors in the Placement that has already been approved by Shareholders in November 2014 is 12,417,913 Shares;

- b) 3,077,778 fully paid Ordinary Shares were issued at \$0.18 per Share; 4,238,094 fully paid Ordinary Shares were issued at \$0.16 per a Deed for Payment and 5,102,041 Shares were issued at \$0.0588 being the VWAP as at the close of trading on 10 September 2015 for a total cash consideration of \$1,514,000;
- c) the Shares issued were all fully paid Ordinary Shares in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares;
- d) The subscribers under the Placement were sophisticated and exempt investor clients as follows:

Subscriber Name	Placement Shares	Issue Date
Mr & Mrs Norton <Norton Super A/c>	300,000	23 March 2015
Mr & Mrs Jennings <Jennings Superfund A/c>	200,000	15 April 2015
R&D Adams Superannuation Fund Pty Ltd <R & D Adams Super Fund A/c>	200,000	15 April 2015
The Fence Masters Pty Ltd <J A Skinner Super Fund>	200,000	15 April 2015
Mr & Mrs Skinner <Don & Billie Super A/c>	200,000	15 April 2015
Mr Nottas	311,111	04 May 2015
Maybank Kim Eng Securities Pte Ltd	1,666,667	29 June 2015
Chua Minggang	250,000	14 September 2015
Ong Lay Ann	3,710,316	14 September 2015
Two Jay Super Fund Pty Ltd ATF Two Jay Superfund	277,778	14 September 2015
Q Account (Pershing Australia Nominees Pty Ltd)	5,102,041	14 September 2015

- e) Funds raised from the Placement have been applied to completing the remaining refurbishment activities at Mt Windarra, to commence capital works at Lake Johnston, to repay Minderoo debt and for normal working capital purposes; and
- f) None of the Subscribers detailed above are a related entity of Poseidon Nickel Limited

The Board considers that the ratification of the issue of the Shares described above is beneficial for the Company as it provides the flexibility to issue up to the maximum number of securities permitted under ASX Listing Rules 7.1 in the next 12 months without further shareholder approval should it be required.

### **Resolution 5 - Ratification of 863,636 Shares Already Issued – Reset of 15% Threshold**

As announced to the ASX on 30 March 2015, Poseidon took full operational control of the Black Swan nickel project from OJSC MMC Norilsk Nickel (Norilsk).

The Company was assisted by Brazilliant Pty Ltd, a Perth based broking firm during the introduction process to Norilsk and in recognition of Brazilliant Pty Ltd professional broking services and negotiation skills involved in securing Norilsk, the Company entered into a fee arrangement with Brazilliant Pty Ltd under which they are entitled to an introduction fee to be issued in fully paid Shares.

Resolution 5 now seeks ratification by Shareholders pursuant to ASX Listing Rule 7.4 for the issue of 863,636 Shares, which have already been issued by the Company to Brazilliant Pty Ltd.

The 863,636 fully paid Ordinary Shares were issued under the Company's annual 15% placement capacity in accordance with ASX Listing Rule 7.1.

A summary of ASX Listing 7.4 has been disclosed in Resolution 3.

As at 13 April 2015 the Company had 91,907,127 Shares available under its annual 15% placement capacity, therefore the issue did not breach ASX Listing Rule 7.1 and the issue had not previously been approved by the Shareholders of the Company in general meeting.

If shareholders ratify the issue of the 863,636 Shares, these Shares will not be counted as a new issue for the purposes of the annual 15% placement capacity.

ASX Listing Rule 7.5 requires the following information to be provided to Shareholders so that they can assess the merits of the Resolutions:

- a) 863,636 fully paid Ordinary Shares were issued at a deemed issue price of 8.40 cents per Share which equated to a broker fee of \$72,545;
- b) Shares issued were all fully paid ordinary shares in the capital of the Company and issued on the same terms and conditions as the Company's existing;
- c) The 863,636 Shares were issued to Brazilliant Pty Ltd or their nominee or nominees, a Perth based broking firm;
- d) The Shares were issued on the 13 April 2015;
- e) no funds will be raised from the issue as the Shares are being issued to Brazilliant Pty Ltd in consideration for professional broking services and negotiation skills in securing an introduction to Norilsk, which resulted in the Company completing a transaction that added to its asset base;
- f) Brazilliant Pty Ltd is not a related entity of Poseidon Nickel Limited; and
- g) At the time of issue, the 863,636 Shares comprised approximately 0.12% of the Company's 0Share Capital

The Board considers that the approval of the issue of the Shares to Brazilliant Pty Ltd described above is beneficial for the Company as it provides the flexibility to issue further Shares under ASX Listing Rule 7.1 in the next 12 months (without further shareholder approval), should it be required.

Furthermore the decision to issue Shares for broking services resulted in the preservation of cash resources by the Company.

#### **Summary**

If Resolutions 3, 4 and 5 are not passed, the Shares the subject of these Resolutions will be counted towards the 15% limits under ASX Listing Rule 7.1 and the Company's available capacity will be reduced until 12 months has passed from the date of the last of these issues.

Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolutions 3 to 5 and the Directors themselves will be voting in favour of Resolutions 3 to 5.

#### **Resolutions 6 and 7 – Adoption of Director Fees Performance Rights Plan (DFPRP) and Incentive Performance Rights Plan (IPRP)**

Resolution 6 seeks Shareholder approval for the adoption of the Director Fees Performance Rights Plan (**Director Fees Rights Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

Resolution 7 seeks Shareholder approval for the adoption of the Incentive Performance Rights Plan (**Incentive Rights Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 months period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period, without requiring Shareholder approval.

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolutions 6 and 7 are passed, in accordance with ASX Listing Rule 7.2 Exception 9, any securities issued under the Plans will be excluded from the calculation of the maximum number of new securities that

can be issued by the Company in any 12 months period for the purposes of Listing Rule 7.1 for a period of three (3) years from the date of this approval.

### **Director Fees Rights Plan**

The Director Fee Performance Rights Plan has been developed as a vehicle for payment of Director fees to Directors, in satisfaction of cash, as a means of preserving the Company's cash reserves.

The principles of the Plan allow for the grant of Performance Rights to the value of the accrued Director's fees, to be made on a quarterly basis. The Performance Rights are not subject to performance hurdles or forfeiture conditions and are immediately exercisable.

When vesting and exercise of the Performance Rights occurs, it will result in the issue to the eligible participant of one (1) Share in the Company for every Performance Right. Under the terms of the Director Fee Performance Rights Plan, the Board has discretion to make a cash payment to the holder in lieu of Shares. The Company is focused on preserving cash and it is therefore not the Company's current intention to issue cash payments in satisfaction of Shares.

The Director Fee Performance Rights Plan has been developed to replace the current Director Share Plan. The new Plan has been devised to align with recent changes to legislation but it is important to note that the substance of the Plan and the quantum of Director fees has not changed in the revised version.

Shareholder approval is now sought for the adoption of the Director Fee Performance Rights Plan as a vehicle for payment of Director Fees in recompense of fulfilment of their Director duties.

### **Incentive Rights Plan**

The Company is focused on the delivery of sustainable value to its shareholders. As such, the Company's remuneration philosophy is premised on the following key goals:

- To attract and retain talented and high calibre Key Management Personnel (KMP) and employees to the Company, who are able to deliver its business objectives;
- To ensure Total Fixed Remuneration (TFR and inclusive of base salary and compulsory superannuation contributions) is competitive in relation to the broader market and is linked to role, experience and performance;
- To ensure incentive schemes are aligned with the long-term interests of the Company and its shareholders and are acceptable to shareholders;
- To ensure remuneration systems are transparent, simple, clear and have measurable targets that are controllable by KMP/employees;

To ensure remuneration systems are compatible with the Company's phase of development, longer term A remuneration structure has been developed which aligns key management personnel and other invited employees' interests with those of shareholders and the generation of long term sustainable value.

Under the proposed Incentive Performance Rights Scheme, eligible participants will be offered Performance Rights as a part of their annual total variable remuneration. Performance Rights will only vest into Shares subject to the meeting or exceeding of a number of performance hurdles including stretch targets, which will be measured over the short term, being generally 12 months and others over the longer term, being generally 3 years.

Performance hurdles will only be assessed based on the gateway condition of continuity of service being met by the eligible participant. Once this is satisfied, performance of the eligible participant against the designated performance hurdles will be evaluated by the Board in order that none, some or all of the Performance Rights vest into Shares.

Performance hurdles will include such elements as Total Shareholder Return (TSR), and other internal strategic objectives associated with financial performance of the Company, growth measures and

operational/production measures. The individual performance of the eligible participant will also be a factor for assessment, thereby ensuring that the incentive scheme remunerates those who contribute the most value to the Company over the short and long term.

The TSR hurdle has been selected as it aligns long term reward with the creation of shareholder value and is in line with market practice. Incentives are linked to the generation of long term TSR outperformance, relative to the TSR performance of a specified group of comparator peer companies (Relative TSR).

When vesting and exercise of the Performance Rights occurs, it will result in the issue to the eligible participant of one Share of the Company for every Performance Right. Performance Rights that do not vest will lapse. Under the terms of the Incentive Performance Rights Plan, the Board has discretion to make a cash payment to the holder in lieu of Shares. The Company is focussed on preserving cash and it is therefore not the Company's current intention to issue cash payments in lieu of Shares.

In the future, it is proposed that a grant of Performance Rights will be made annually following announcement of the Company's full year results. The Board will have discretion to make grants at other times, including the commencement of employment by a person deemed by the Board to be eligible to participate in the scheme.

No securities have yet been issued by the Company under the Incentive Performance Rights Scheme.

Subject to shareholder approval now sought, the Incentive Performance Rights Plan will form part of the Company's overall remuneration structure.

It is important to note that the Managing Director, David Singleton, has elected not to participate in the Incentive Performance Rights Plan for the period 1/7/15 to 30/6/16 in view of the Company's current share price.

A summary of the rules of the Director Fees Rights Plan is set out in Schedule 1. A summary of the rules of the Incentive Rights Plan is set out in Schedule 2.

Copies of the Plans are also available for Shareholder review at the registered office of the Company until the date of the Meeting. Shareholders are invited to contact the Company if they have any queries or concerns.

### **Resolutions 8 to 10 – Approval for Issue of Performance Rights under Director Fees Performance Rights Plan in Satisfaction of Director Fees for the financial year ending 30 June 2016**

It is proposed that Messrs Geoffrey Brayshaw, Christopher Indermaur and Robert Dennis (**Participating Directors**) participate in the Director Fees Rights Plan in respect of directors' fees which the Company has agreed to pay to the Participating Directors for the financial year commencing on 1 July 2015 and ending on 30 June 2016.

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

Shareholder approval under Chapter 2E of the Corporations Act – Related Parties is not required because the Performance Rights are being issued in satisfaction of directors' fees owed by the Company to the Participating Directors on a quarterly basis. This issue of Shares constitutes reasonable remuneration in accordance with Section 211 of the Corporations Act that has been calculated on commercial terms, having regard to the circumstances of the Company.

Resolutions 8 to 10 are conditional on Resolution 6 being approved by Shareholders.

For the purposes of ASX Listing Rule 10.15, the following information is provided to Shareholders:

- (a) Performance Rights may be offered under the Director Fees Rights Plan to Geoffrey Brayshaw, Christopher Indermaur and Robert Dennis (all Directors) or their nominees (together the **Participating Directors**).
- (b) The directors' fees for the financial year ending 30 June 2016 total \$229,162.00 and will be paid as follows:
- \$72,831.00 (1,456,620 Performance Rights) to Geoffrey Brayshaw;
  - \$93,500.00 (1,870,000 Performance Rights) to Christopher Indermaur; and
  - \$62,831.00 (1,256,620 Performance Rights) to Robert Dennis

\*\* The number of Performance Rights has been calculated in accordance with paragraph (f) below

- (c) The above fees agreed to be paid to the Participating Directors reflect the additional responsibilities and work to be undertaken from their respective appointments to the following committees:

Mr Brayshaw is: Chairman of the Audit and Risk Management Committee; and  
Member of the Remuneration, Nominations and Diversity Committee

Mr Indermaur is: Non-Executive Chairman of the Board,  
Chairman of the Remuneration, Nominations and Diversity Committee; and  
Member of the Audit and Risk Management Committee

Mr Dennis is: Member of both Committees

- (d) The maximum number of Performance Rights which may be issued to the Participating Directors is determined by the directors' fees that the Company has agreed to pay to the Participating Directors for the financial year ending on 30 June 2016 (\$229,162.00) divided by the deemed issue price of the Performance Rights calculated in accordance with paragraph (f) below. The number of Performance Rights issued each quarter will be a function of the deemed issue price and the proportion of fees that the Company decides to satisfy through the issue of Rights;
- (e) The Performance Rights will be issued for nil cash consideration as they will be issued in satisfaction of all or part of the directors' fees agreed to be paid by the Company to the Participating Directors at quarterly intervals. The Performance Rights will be deemed to have an issue price of no less than the volume weighted average (VWAP) sale price of Shares sold on ASX for the quarter prior to the expiry of each relevant quarter of the 2015/2016 financial year, subject to paragraph (f) below;
- (f) For the financial year ending 30 June 2016 the maximum number of Performance Rights that may be issued to the Participating Directors assuming a deemed issue price of \$0.05 per Right, being the closing Share price as at 30 September 2015, the day the Notice was prepared will be capped at 4,583,240 Shares;
- (g) No Performance Rights have previously been issued under the Director Fees Rights Plan;
- (h) All of the Directors of the Company (being the Participating Directors and Mr David Singleton) are eligible to participate in the Director Fees Rights Plan. Mr Singleton, while eligible, does not currently intend to participate in the Director Fees Rights Plan and should this intention change, shareholder approval will be sought;
- (i) No loan will be provided in respect of the issue of Performance Rights as they are being issued in consideration for directors' fees which the Company has agreed to pay the Participating Directors for the financial year ending 30 June 2016; and
- (j) The Performance Rights will be issued to Participating Directors within 12 months from the date of the Annual General Meeting and will be issued on a quarterly basis according to the directors' fees

owing to each of the Participating Directors at that time, except to the extent the Company elects to pay the director's fees in cash.

Messrs Brayshaw, Indermaur and Dennis decline to make a recommendation to Shareholders in relation to Resolutions 8 to 10 respectively due to their personal interest in the outcome of the Resolutions.

However, it is generally considered that Shareholders should vote in favour of Resolutions 8 to 10 as cash is preserved, the interests of Messrs Brayshaw, Indermaur and Dennis are aligned with those of the Shareholders and it is not believed that there are any significant opportunity costs forgone by the Company in issuing the Performance Rights to Messrs Brayshaw, Indermaur and Dennis for outstanding Director fees.

## **Resolution 11- Approval of 10% Placement Capacity**

### **ASX Listing Rule 7.1A**

Under Resolution 11, the Company seeks shareholder approval to create an ability to issue to an additional 10% of the issued share capital of the Company under ASX Listing Rule 7.1A (10% Placement).

As at the date of this Notice, Poseidon has one (1) class of quoted equity security – Ordinary Shares (ASX Code: POS) and therefore only Ordinary Shares can be issued under the 7.1A Placement.

The ability to issue securities under Listing Rule 7.1A.1 must be sought by a Company each year at the Annual General Meeting - the approval is not cumulative and must be refreshed through shareholder approval.

Resolution 11 is a special resolution and requires approval by 75% of the votes cast by Shareholders present and eligible to vote.

### **Eligibility Criteria**

Under ASX Listing Rule 7.1A, an eligible listed entity may, subject to Shareholder approval by way of a Special Resolution issue Shares comprising up to 10% of its issued share capital in addition to the normal 15% annual placement capacity under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing 7.1A is an entity that is outside the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less (excluding restricted securities and securities quoted on a deferred settlement basis).

Poseidon is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$41.7 million based on a closing share price of \$0.059 on 9 October 2015 and 706,902,413 Shares on issue.

Shareholder approval under ASX Listing Rule 7.1A does not lapse if the Company's market capitalisation subsequently exceeds \$300 million or if it is included in the S&P/ASX 300 Index at some time during the placement period provided that the Company meets the eligibility criteria on the date of the AGM.

### **Placement capacity under ASX Listing Rule 7.1 and 7.1A**

The 10% Placement is in addition to a listed entity's usual 15% placement capacity under Listing Rule 7.1.

As at the date of finalisation of this Notice of Meeting, the Company has 706,902,413 Shares on issue and therefore, in addition to any other Shares which it can issue under the permitted exceptions to Listing Rules 7.1 and 7.1A, it has the capacity to issue

- 106,035,362 Shares under the Company's 15% Placement Capacity under Listing Rule 7.1; and
- Subject to Shareholder approval being obtained under Resolution 11, 70,690,241 Shares under Listing Rule 7.1A

The actual number of Shares that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Shares in accordance with the formula in Listing Rule 7.1A2.

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to Resolution 11:

(a) Minimum issue price

In accordance with Listing Rule 7.1A, Shares issued by the Company under a 10% Placement can only be issued at a price not less than 75% of the VWAP (volume weighted average price) of Shares calculated over the fifteen (15) trading days on which trades in its Shares were recorded immediately before:

- the date on which the issue price of the Shares is agreed; or
- the date (if the Shares are not issued within five (5) trading days of the date on which the issue price is agreed).

(b) Placement period

Shareholder approval under ASX Listing Rule 7.1A is valid from the date of this Annual General Meeting until the earlier to occur of:

- 12 months after the date of this 2015 Annual General Meeting (26 November 2016); and
- the date of approval by Shareholders of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or ASX Listing Rule 11.2 (disposal of the Company's main undertaking) or such longer period if allowed by the ASX (after which date, an approval under ASX Listing Rule 7.1A ceases to be valid).

If a Company is planning an 11.1.2 or an 11.2 transaction then they are not able to seek approval under Listing Rule 7.1A – Poseidon is not planning on either transaction during the next twelve (12) months.

(c) Dilution to existing shareholdings

If Resolution 11 is approved by Shareholders and the Company issues Shares under the 10% Placement, there is a risk of economic and voting dilution to existing Shareholders as a result. Further, as the market price of the Company's Shares may be significantly lower on the issue date than on the date of the AGM approval and because the Shares may be issued at a price that is at a discount to the market price on the issue date, there is a risk that the 10% Placement may raise less funding than it would based on current market prices.

ASX Listing Rule 7.3A.2 requires the Company to provide a table showing a number of hypothetical scenarios for a 10% Placement demonstrating the potential dilution effect if the Company's share capital is increased by either 50% or 100% and the Company's share price decreases by 50% or increased by 100% from the approximate share price as at the date of finalisation of this Notice of Meeting.

Shares on Issue		Dilution Table		
		\$0.0295 50% decrease in Issue Price	\$0.059 Current Share Price	\$0.118 100% increase in Issue Price
<b>Current</b> 706,902,413 Shares	<b>10% Voting Dilution</b>	70,690,241 Shares	70,690,241 Shares	70,690,241 Shares
	<b>Funds raised</b>	\$2,085,362	\$4,170,724	\$8,341,448
<b>50% increase</b> 1,060,353,620 Shares	<b>10% Voting Dilution</b>	106,035,361 Shares	106,035,361 Shares	106,035,361 Shares
	<b>Funds raised</b>	\$3,128,043	\$6,256,086	\$12,512,173
<b>100% increase</b> 1,413,804,826 Shares*	<b>10% Voting Dilution</b>	141,380,482 Shares	141,380,482 Shares	141,380,482 Shares
	<b>Funds raised</b>	\$4,170,724	\$8,341,448	\$16,682,897

\* The number of Shares on issue 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 shares issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1

The following assumptions were made when preparing the dilution table:

1. There are currently **706,902,413** Shares on issue as at the date of this Notice of Meeting;
2. The Company issues the maximum number of Equity Securities available under the 10% Placement Capacity;
3. The Company has not issued any Shares in the 12 months prior to this Annual General Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1;
4. 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%;
5. The table does not show the dilution affect that may be caused to a particular Shareholder;
6. The table only shows the effect of issues of Equity Securities under Listing Rule 7.1A not under the 15% Placement Capacity under Listing Rule 7.1;
7. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders; and
8. The issue price of \$0.059 is the closing price of the Shares on the ASX as at 09 October 2015.

#### (d) Purpose of the 10% Placement

The Company may seek to issue Shares under ASX Listing Rule 7.1A for the following purposes:

1. Continued exploration on its current Mt Windarra Nickel Project near Kalgoorlie WA; with activities which could include:
  - (a) Water extraction system techniques
  - (b) Mine refurbishment;
  - (c) Continued exploration including further underground drilling
2. Exploration and development activities on the Black Swan and Lake Johnson Nickel projects as well as any new mineral projects acquired by the Company during the period ahead;
3. Potential acquisition of new resource assets and investments by either or both of the following:
  - (a) Cash consideration; and
  - (b) Non-cash consideration, if this was the purpose; the Company would provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.
4. For ongoing future working capital purposes

The cash issue price or the value of any non-cash consideration will comply with the minimum issue price noted above.

#### (e) Allocation policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity but may include a placement to selected existing Shareholders, a corner stone investor or several "new" professional/sophisticated investors not currently on the Company's register

The identity of the subscribers under the 10% Placement will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- The purpose of the issue;
- The methods of raising funds that are available to the Company including but not limited to, rights issue or other issue in which existing Shareholders can participate;
- The effect of the issue of the Equity Securities on the control of the Company;
- The financial situation and solvency of the Company; and
- Advice from corporate, financial and broking advisors

The subscribers under the 10% Placement are not known as at the date of finalisation of this Notice of Meeting but may include existing substantial shareholders and/or new shareholders. The subscribers cannot include any directors, related parties or associates of a related party of the Company without further specific shareholder approval.

If the Company is successful in acquiring new resource assets or investments, it is likely that the subscribers under the 10% Placement will be the vendors of the new resource assets or investments.

(f) Voting exclusion

A voting exclusion statement applies in relation to Resolution 11 and has been included in this Notice of Meeting.

As at the date of this Notice, the Company has not approached any particular existing Shareholder or an identifiable class of existing shareholder to participate in the issue of the Shares. No existing shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Meeting.

(g) Previous approval

Poseidon previously obtained Shareholder approval under Listing Rule 7.1A at its 26 November 2014 Annual General Meeting. In accordance with Listing Rule 7.3A.6 the Company provides the following information:

- No Shares were issued under Listing Rule 7.1A during the 12 months between the 26 November 2014 Annual General Meeting and the date of finalisation of this Notice of Meeting; and
- 101,352,503 Shares were issued under Listing Rule 7.1 in the past 12 months, the details of which are set out in Schedule 3. These issues represent approximately 16.74% of the total diluted number of Shares on issue in the Company on 26 November 2014, which was 605,549,910.

(h) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Shares pursuant to the 10% Placement, it must give to the ASX:

- A list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- The information required by Listing Rule 3.10.5A for release to the market

Most eligible resource companies are seeking the 10% Placement approval from their shareholders to enable a capital raising to be implemented if appropriate during the coming year. Accordingly approval by Poseidon Shareholders of Resolution 11 is considered to be a prudent approach.

The Directors believe that Resolution 11 will provide the Company with the flexibility to raise capital quickly if advantageous terms are available and it is in the best interests of the Company and the Directors recommend that Shareholders vote in favour of the Resolution 11.

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## SCHEDULE 1 – SUMMARY OF DIRECTORS FEES PERFORMANCE RIGHTS PLAN

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**Eligible Participants:** A Director or Prospective Director of the Company (or another entity within the Company group) who is declared by the board to be eligible to participate in the Director Fees Performance Rights Plan.

**Offers:** The Board may, from time to time, in its absolute discretion, and only where an Eligible Participant continues to satisfy any relevant conditions imposed by the Board, make an offer to any Eligible Participant to apply for Performance Rights for the payment of Directors' fees owing by the Company to the Eligible Participant upon the terms set out in the Director Fees Rights Plan.

**Performance Rights:** Each Performance Right, once vested, entitles the holder, on exercise, to the issue of one Share or cash payment (as elected by the Board in its absolute discretion).

**Not transferrable:** Performance Rights are only transferrable in special circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death to the participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.

**Exercise:** A participant (or their legal representative where applicable) may, subject to the terms of any offer, exercise any vested Performance Right at any time after it is granted and before it lapses.

**Cash Payment or Shares:** Subject to the Corporations Act, the ASX Listing Rules, the Director Fees Rights Plan and the terms of any offer under the Director Fees Rights Plan, within 10 days of receipt of a valid notice of exercise for Performance Rights, the Board must, in its absolute discretion, either;

- (a) pay the Participant or his or her personal representative a cash payment for each Performance Right exercised; or
- (b) issue or transfer one (1) Share, free of encumbrances, to the Participant or his or her personal representative for each Performance Right exercised.

**Lapse of a Performance Right:** A Performance Right will lapse upon the earlier to occur of:

- (a) an unauthorised dealing in, or hedging of, the Performance Right;
- (b) a Relevant Person ceases to be an Eligible Participant where the Performance Right granted in respect of that relevant person is not exercised within one (1) month (or such later date as the Board determines) of the date of the Relevant Person ceases to be an Eligible Participant;
- (c) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant;
- (d) the Expiry Date of the Performance Right; and
- (e) the seven (7) year anniversary of the date of grant of the Performance Rights.

**Shares:** All shares issued under the Director Fees Rights Plan will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.

**Quotation of Shares:** If Shares of the same class as those allotted under the Director Fees Rights Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any restriction period applying to the disposal of Shares ends. The Company will not apply for any quotation of Performance Rights on the ASX.

**Share Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Performance Rights, that a restriction period will apply to some or all of the Shares issued to a Participant on exercise of those Performance Rights (**Restricted Shares**), up to a maximum of seven (7) years from the Grant Date of the Performance Rights (**Restriction Period**). Other than any Restriction Period, there will be no transfer restrictions on Shares issued or transferred under the Director Fees Rights Plan unless the sale, transfer or disposal would require the preparation of a disclosure document. The Company will issue, where required to enable Shares issued or transferred on exercise of Performance Rights to be freely tradeable on the ASX, a cleansing statement at the time the shares are issued. The Board maintains the discretion to determine at any time up until exercise of Performance Rights, that a restriction period will apply to some or all of the Shares issued on exercise of those Performance Rights, up to a maximum of seven (7) years from the grant date of the Performance Rights.

**No Participation Rights:** There are no participating rights or entitlements inherent in the Performance Rights and participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

**No Change:** A Performance Right does not confer the right to a change the number of underlying Shares over which the Performance Right can be exercised.

**Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

**Amendments:** Subject to express restrictions set out in the Plan and complying with the Corporations Act, ASX Listing Rules and any other applicable law, the Board may at any time by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Performance Right granted under the Plan including giving any amendment retrospective effect.

**Restrictions on amendments:** Without the consent of the Participant, no amendment may be made to the terms of any granted Performance Right which reduced the rights of the Participant in respect of that Performance Right, other than an amendment introduced primarily:

- (a) for the purpose of complying with or conforming to present or future State or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;
- (b) to enable a member of the Group to comply with the Corporations Act, the ASX Listing Rules, applicable foreign law, or a requirement, policy or practice of the ASIC or other foreign or Australian regulatory body
- (c) to correct any manifest error or mistake; or
- (d) to take into consideration possible adverse tax implications in respect of the Plan arising from, amongst others, adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and/or changes in the interpretation of tax legislation by a court of competent jurisdiction.

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## SCHEDULE 2 – SUMMARY OF INCENTIVE RIGHTS PLAN

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**Eligible Participants:** A Director, full time, part time or casual employee of any Group Company and certain contractors (current or prospective) who is declared by the Board to be eligible to receive grants of Performance Rights under the Incentive Rights Plan.

**Offers:** The Board may, from time to time, at its absolute discretion, make an offer to an Eligible Participant under the Incentive Rights Plan to apply for up to a specified number of Performance Rights, upon the terms of the Incentive Rights Plan and on such additional terms and conditions as the Board determines.

**Performance Rights:** Each Performance Right, once vested, entitles the holder, on exercise, to the issue of one Share or cash payment (as elected by the Board in its absolute discretion).

**Not transferrable:** Performance Rights are only transferrable in special circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death to the participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.

**Vesting Conditions:** A Performance Right may be made subject to Vesting Conditions as determined by the Board in its discretion and as specified in the offer for the Performance Right.

**Vesting:** A Performance Right will vest where Vesting Conditions are satisfied or where, despite Vesting Conditions not being satisfied, the Board (in its absolute discretion) resolves that unvested Performance Rights have vested as a result of:

- (a) a Relevant Person ceasing to be an Eligible Participant due to special circumstances;
- (b) a Relevant Person suffering severe financial hardship;
- (c) a change of control occurring or the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

**Exercise of vested Performance Right:** A Participant may, subject to the terms of any offer, exercise any vested Performance Right at any time after the Board notifies that the Performance Right has vested and before it lapses.

**Cash Payment or Shares:** Subject to the Corporations Act, the ASX Listing Rules, the Incentive Rights Plan and the terms of any offer under the Incentive Rights Plan, within 10 days of receipt of a valid notice of exercise for Performance Rights, the Board must, in its absolute discretion, either;

- (a) pay the Participant or his or her personal representative a cash payment for each Performance Right exercised; or
- (b) issue or transfer one (1) Share, free of encumbrances, to the Participant or his or her personal representative for each Performance Right exercised

**Lapse of a Performance Right:** A Performance Right will lapse upon the earlier to occur of:

- (a) an unauthorised dealing in, or hedging of, the Performance Right;

- (b) a Vesting Condition in relation to the Performance Right is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to vest the Performance Right under a good leaver exception (eg due to death, total and permanent disability, retirement or redundancy or financial hardship) or change of control event;
- (c) in respect of unvested Performance Rights only, where a Relevant Person ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right under a good leaver exception or change of control event or resolves to allow the unvested Performance Right to remain unvested after the Relevant Person ceases to be an Eligible Participant;
- (d) in respect of a vested Performance Right only, where a Relevant Person ceases to be an Eligible Participant and the Performance Right granted is not exercised within one (1) month of the date the Relevant Person ceases to be an Eligible Participant;
- (e) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant;
- (f) the Company undergoes a change in control or winding up, and the Board does not exercise its discretion to vest the Performance Right;
- (g) the expiry date of the Performance Right; and
- (h) the 7 year anniversary of the date of grant of the Performance Right.

**Shares:** All shares issued under the Incentive Rights Plan will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.

**Quotation of Shares:** If Shares of the same class as those allotted under the Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any restriction period applying to the disposal of Shares ends.

**Share Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Performance Rights, that a restriction period will apply to some or all of the Shares issued to a Participant on exercise of those Performance Rights (**Restricted Shares**), up to a maximum of seven (7) years from the Grant Date of the Performance Rights (**Restriction Period**). Other than any Restriction Period, there will be no transfer restrictions on Shares issued or transferred under the Incentive Rights Plan unless the sale, transfer or disposal would require the preparation of a disclosure document. The Company will issue, where required to enable Shares issued or transferred on exercise of Performance Rights to be freely tradeable on the ASX, a cleansing statement at the time the shares are issued. The Board maintains the discretion to determine at any time up until exercise of Performance Rights, that a restriction period will apply to some or all of the Shares issued on exercise of those Performance Rights, up to a maximum of seven (7) years from the grant date of the Performance Rights.

**No Participation Rights:** There are no participating rights or entitlements inherent in the Performance Rights and participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

**No Change:** A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised.

**Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a participant are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

**Amendments:** Subject to express restrictions set out in the Incentive Rights Plan and complying with the Corporations Act, ASX Listing Rules and any other applicable law, the Board may at any time by resolution amend or add to all or any of the provisions of the Incentive Rights Plan, or the terms or conditions of any Performance Right granted under the Plan including giving any amendment retrospective effect.

**Restrictions on amendments:** Without the consent of the Participant, no amendment may be made to the terms of any granted Performance Right which reduced the rights of the Participant in respect of that Performance Right, other than an amendment introduced primarily:

- (a) for the purpose of complying with or conforming to present or future State or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;
- (b) to correct any manifest error or mistake; or
- (c) to enable a member of the Group to comply with the Corporations Act, the ASX Listing Rules, applicable foreign law, or a requirement, policy or practice of the ASIC or other foreign or Australian regulatory body
- (d) to take into consideration possible adverse tax implications in respect of the Plan arising from, amongst others, adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and/or changes in the interpretation of tax legislation by a court of competent jurisdiction.

**SCHEDULE 3 – ISSUE OF SHARES SINCE 26 NOVEMBER 2014**

Date of Issue	Number of Securities Issued	Security Class	Issue Price	Discount to Market Price	Form of Consideration	Persons Receiving Securities
<b>ISSUE 1</b>						
05 Dec 2014	71,911,260	Ordinary Shares	\$0.18	Nil	Cash	Petra Capital Pty Ltd; and Reorient Group Limited
<p><b>Purpose of Issue:</b> Placement of Shares to provide working capital funds to restart production at Windarra, to commence capital works at Lake Johnston as well as retiring debt as approved by Shareholders at the Company's 2014 General Meeting held on 26 November 2014.</p> <p><b>Amount Raised = \$12,944,026</b>  <b>Amount Spent = \$12,944,026</b></p> <p><b>Use of Funds</b> – Mine refurbishment and dewatering processes at Mt Windarra and providing working capital to the Company.</p>						
<b>ISSUE 2</b>						
15 Dec 2014	2,230,000	Ordinary Shares	Deemed	Nil	Non-Cash	Mr D Singleton
<p><b>Purpose of Issue:</b> Shares to Managing Director for over and above services as approved by Shareholders at the Company's 2014 General Meeting held on 26 November 2014.</p> <p><b>Current Value:</b> \$131,570 (2,230,000 Shares at current price of \$0.0590)</p>						
<b>ISSUE 3</b>						
15 Dec 2014	256,828	Ordinary Shares	Deemed	Nil	Non-Cash	Mr Robert Dennis
<p><b>Purpose of Issue:</b> Shares to newly appointed director in lieu of March (pro-rated) and June 2014 quarter Director fees as approved by Shareholders at the November 2014 Annual General Meeting.</p> <p><b>Current Value:</b> \$15,153 (256,828 Shares at current price of \$0.0590)</p>						
<b>ISSUE 4</b>						
15 Dec 2014	302,812	Ordinary Shares	Deemed	Nil	Non-Cash	Mr Geoff Brayshaw Mr Chris Indermaur Mr Robert Dennis
<p><b>Purpose of Issue:</b> Shares to directors in lieu of fees for the September 2014 quarter as approved by Shareholders at the Company's 2014 Annual General Meeting held on 26 November 2014.</p> <p><b>Current Value:</b> \$17,866 (302,812 Shares at current price of \$0.0590)</p>						
<b>ISSUE 5</b>						
12 Jan 2015	352,765	Ordinary Shares	Deemed	Nil	Non-Cash	Mr Geoff Brayshaw Mr Chris Indermaur; Mr Robert Dennis
<p><b>Purpose of Issue:</b> Shares to directors in lieu of fees for the December 2014 quarter as approved by Shareholders at the Company's 2014 Annual General Meeting held on 26 November 2014.</p> <p><b>Current Value:</b> \$20,813 (352,765 Shares at current price of \$0.0590)</p>						
<b>ISSUE 6</b>						
12 Jan 2015	2,984,747	Ordinary Shares	Deemed	Nil	Non-Cash	Jefferies LLC
<p><b>Purpose of Issue:</b> Shares in lieu of a cash payment for the December 2014 quarter interest due and payable on Convertible Notes.</p> <p><b>Current value:</b> \$176,100 (2,984,747 Shares at current price of \$0.0590)</p>						

Date of Issue	Number of Securities Issued	Security Class	Issue Price	Discount to Market Price	Form of Consideration	Persons Receiving Securities
<b>ISSUE 7</b>						
17 Apr 2015	1,100,000	Ordinary Shares	\$0.18	Nil	Cash	Petra Capital Pty Ltd; and Reoritent Group Limited
<b>Purpose of Issue:</b> Part of Issue 1 Placement of Shares to provide working capital funds to restart production at Windarra, to commence capital works at Lake Johnston as well as retiring debt <b>Amount Raised = \$198,000</b> <b>Amount Spent = \$198,000</b>  <b>Use of Funds</b> – Mine refurbishment and dewatering processes at Mt Windarra and providing working capital to the Company.						
<b>ISSUE8</b>						
17 Apr 2015	5,364,199	Ordinary Shares	Deemed	Nil	Non-Cash	Jefferies LLC
<b>Purpose of Issue:</b> Shares in lieu of a cash payment for the March 2015 quarter interest due and payable on Convertible Notes <b>Current Value:</b> \$316,488 (5,364,199 Shares at current price of \$0.0590)						
<b>ISSUE 9</b>						
17 Apr 2015	863,636	Ordinary Shares	Deemed	Nil	Cash	Braziliant Pty Ltd
<b>Purpose of Issue:</b> Shares from Company's 15% placement capacity in lieu of a cash payment for an introduction fee to a third party in relation to the acquisition of the Black Swan assets from Norilsk Nickel.  <b>Current Value:</b> \$316,488 (5,364,199 Shares at current price of \$0.0590)						
<b>ISSUE 10</b>						
17 Apr 2015	448,985	Ordinary Shares	No Issue price	Nil	Non-Cash	Mr Geoff Brayshaw Mr Chris Indermaur; Mr Robert Dennis
<b>Purpose of Issue:</b> Shares to directors in lieu of fees for the March 2015 quarter as approved by Shareholders at the Company's 2014 Annual General Meeting held on 26 November 2014.  <b>Current Value:</b> \$26,490 (448,985 Shares at current price of \$0.0590)						
<b>ISSUE 11</b>						
30 June 2014	1,977,778	Ordinary Shares	\$0.18	Nil	Cash	Petra Capital Pty Ltd; and Reoritent Group Limited
<b>Purpose of Issue:</b> Part of Issue 1 Placement of Shares to provide working capital funds to restart production at Windarra, to commence capital works at Lake Johnston as well as retiring debt <b>Amount Raised = \$356,000</b> <b>Amount Spent = \$356,000</b>  <b>Proposed Use of Remaining Funds</b> – Mine refurbishment and dewatering processes at Mt Windarra, and providing working capital to the Company.						
<b>ISSUE12</b>						
07 July 2015	412,161	Ordinary Shares	Deemed	Nil	Non-Cash	Mr Geoff Brayshaw; Mr Chris Indermaur; Mr Robert Dennis
<b>Purpose of Issue:</b> Shares to directors in lieu of fees for the June 2015 quarter as approved by Shareholders at the Company's 2014 Annual General Meeting held on 26 November 2014.  <b>Current Value:</b> \$24,317 (412,161 Shares at current price of \$0.0590)						
<b>ISSUE 13</b>						
07 July 2015	3,807,197	Ordinary Shares	Deemed	Nil	Non-Cash	Jefferies LLC
<b>Purpose of Issue:</b> Shares in lieu of a cash payment for the June 2015 quarter interest due and payable on Convertible						

Notes						
<b>Current Value:</b> \$224,625 (3,807,197 Shares at current price of \$0.0590)						
<b>ISSUE 14</b>						
14 Sept 2015	4,238,094	Ordinary Shares	\$0.18	Nil	Cash	Petra Capital Pty Ltd; and Reorient Group Limited Pershing Nominees Pty Ltd
14 Sept 2015	5,102,041	Ordinary Shares	\$0.0588	Nil	Cash	
<p><b>Purpose of Issue:</b> Part of Issue 1  Placement of Shares to provide working capital funds to restart production at Windarra, to commence capital works at Lake Johnston as well as retiring debt</p> <p><b>Amount Raised = \$660,000</b>  <b>Amount Spent = \$Nil</b>  <b>Amount Remaining = \$660,000</b></p> <p><b>Proposed Use of Remaining Funds</b> – Mine refurbishment and dewatering processes at Mt Windarra, and providing working capital to the Company.</p> <p><b>Amount Raised = \$300,000</b>  <b>Amount Spent = \$Nil</b>  <b>Amount Remaining = \$300,000</b></p> <p><b>Proposed Use of Remaining Funds</b> - Silver Swan studies as well as the care &amp; maintenance program.</p>						

**Notes**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Class means fully paid Ordinary Shares in the capital of Poseidon, ASX Code: POS (terms are set out in the Constitution).
3. In respect to the current value of quoted Equity Securities the value is based on the closing price of the Shares as the context requires on the ASX on the trading day prior to the date of this Notice of Meeting.
4. The Proposed Use of Remaining Funds is a statement of current intentions as at the date of this Notice. As with any budget, outside events and new circumstances can arise that the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied.

## **GLOSSARY**

**\$** means Australian dollars

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

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

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

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

**AWST** means Western Standard Time as observed in Perth, Western Australia.

**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.

**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).

**Director means** Executive Director and Non-Executive Directors

**Equity Securities** has the same meaning as in the ASX Listing Rules but includes:

- (a) a share;
- (b) a unit;
- (c) a right to a share or unit or option;
- (d) an option over an issued or unissued security;
- (e) a convertible security;
- (f) any security that ASX decides to classify as an equity security
- (g) BUT not a debt security

**Executives** means all those senior employees who have been invited to participate in the Company's management of day to day administrative and operational matters

**Explanatory Memorandum** means the Explanatory Memorandum 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 Memorandum.

**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 2015.

**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.

**VWAP** means the volume weighted average price.



**POSEIDON NICKEL LIMITED**  
**ACN 060 525 206**

**INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM**

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 5.00pm (AWST) on Tuesday, 24, November 2015.

1. **Appointing a Proxy:** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **Direction to Vote:** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.

Unless authorised by ASIC, if a member of Key Management Personnel or their Closely Related Parties is appointed as a proxy, they are not permitted to vote undirected proxies on remuneration matters (arising directly or indirectly in connection with remuneration of Key Management Personnel), related party benefit matters under Chapter 2E of the Corporations Act and any spill resolutions. However, the chair may vote a proxy that does not specify how it is to be voted, provided the member who has lodged the proxy has provided their consent in the proxy form for the chair to exercise the proxy in its discretion (save in relation to the remuneration report where a direction is required).

3. **New sections 250BB and 250BC of the Corporations Act:** These sections 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 Annual General 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).

**POSEIDON NICKEL LIMITED**  
**ACN 060 525 206**

**INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM**

**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:
  - (i) the proxy is not recorded as attending the meeting;
  - (ii) 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.

**4. Signing Instructions:**

- **(Individual):** Where the holding is in one name, the member must sign.
- **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
- **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.

**5. Attending the Meeting:** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.

**6. Return of Proxy Form:** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001;
- (b) send by facsimile to Computershare Investor Services Pty Limited on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

so that it is received not later than 10.00am (AWST) on Tuesday, 24 November 2015.

**Proxy Forms received later than this time will be invalid.**

**Poseidon Nickel Limited  
ACN 060 525 206**

**Corporate Representative Form**

**Please return this Appointment Form of Corporate Representative to the following address**

*Computershare Investor Services Pty Limited  
GPO Box 242 MELBOURNE VIC 3001*

*Or*

*Facsimile on 1800 783 447 (within Australia)  
+61 3 9473 2555 (outside Australia)*

**Shareholder Details**

This is to certify that by a resolution of the directors of:

\_\_\_\_\_ ACN \_\_\_\_\_  
(Insert Company Name)

\_\_\_\_\_  
(Insert Address)

The Company has appointed:

\_\_\_\_\_  
(Insert Name of Corporate Representative)

In accordance with the provisions of Section 250D of the Corporations Act to act as the Corporate Representative of the company to exercise all or any of the powers the company may exercise at the Annual General Meeting of shareholders of Poseidon Nickel Limited ACN 060 525 206 to be held on Thursday, 26 November 2015 at 10.00am and at any adjournment or postponement of the Annual General Meeting, or any meeting arising from the Annual General Meeting.

Dated this      day of              2015

Executed by

ACN  
in accordance with section 127 of the *Corporations Act*  
2001:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director/Secretary

\_\_\_\_\_  
Name of Authorised Representative

\_\_\_\_\_  
Signed by Authorised Representative