12 May 2014

Information Required Under ASX Listing Rule 3.10.5A

Poseidon Nickel Limited (**the Company**) has issued 46,708,000 fully paid Ordinary Shares at 8 cents per Share, pursuant to a Placement made to sophisticated and professional investors as described in Section 708 of the Corporations Act (**Placement**).

The Placement was completed on 12 May 2014 pursuant to a capital raising announced to the market on 5 May 2014. Within the Placement, 5,676,838 fully paid Ordinary Shares were issued under the Company's remaining 15% placement capacity. A further 41,031,162 fully paid Ordinary Shares were issued pursuant to the Company's additional 10% placement capacity under ASX Listing Rule 7.1A and as approved by Shareholders at the Company's Annual General meeting on 28 November 2013.

The following information required under ASX Listing Rule 3.10.5A is now provided:

1. Dilution Effect
    The dilution effect of the Placement on the existing Shareholder base is as follows:

Placement issue under Listing Rule 7.1A (41,031,162 Shares)	7.9%
Placement issue under Listing Rule 7.1 (5,676,838 Shares)	<u>1.1%</u>
Total dilution as a result of this Placement	**9.0%**

2. Why an issue under ASX Listing Rule 7.1A
    The Company issued the Shares as a Placement under Listing Rule 7.1A as it believed this was the most efficient mechanism for raising funds to meet short term working capital requirements. This offer was considered the most appropriate of the opportunities that were presented for Board consideration.
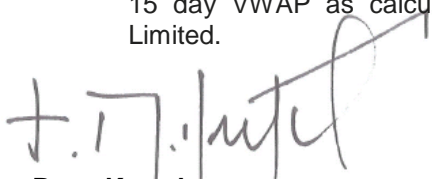
3. Underwriting Agreement
    The Placement was not underwritten.

4. Cost of Issue
    The Company will pay a 5% placement fee being a corporate advisory/broker commission on funds raised of $172,732.

    Other Information
    *   The number of Shares on issue following the Placement: 513,467,315;

    *   The source of data for determining the Placement issue price which was at least 75% of the 15 day VWAP as calculated under Listing Rule 7.1A.3 was from Patersons Securities Limited.

Ross Kestel
Company Secretary