

## Notice of 2017 Annual General Meeting

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TIME: 11:00am (AWST)

DATE: Thursday, 9 November 2017

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

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## **ACTIONS TO BE TAKEN BY SHAREHOLDERS**

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The 2017 Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11.00am (AWST) on Thursday, 9 November 2017

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.

### **Eligibility to attend and vote**

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, 7 November 2017.

### **Last date to submit Proxy Form**

Your completed Proxy Form must be received by the Company no later than 11.00am (AWST) on **Tuesday, 7 November 2017**. Please complete and sign the enclosed Proxy Form, returning:

- Online at** [www.investorvote.com.au](http://www.investorvote.com.au)
- By mail** Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001
- By fax** 1800 783 447 (within Australia)  
+61 3 9473 2555 (outside Australia)
- By mobile** Scan the QR Code on your proxy form and follow the prompts
- Custodian Voting** Intermediary Online subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions

**Proxy Forms received after Tuesday, 7 November 2017 will be invalid.**

### **Appointing a proxy**

You can appoint a proxy to attend and vote on your behalf as an alternative to attending the meeting in person or casting a direct vote.

To appoint a proxy, please write the name of the appointed proxy in the box on the proxy form denoted by  $\Omega$ . You can direct your proxy how to vote on Items 1 to 8 by marking "For", "Against" or "Abstain".

A proxy does not need to be a shareholder of the Company. A proxy may be an individual or a company. You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Forms and specify the percentage or number of votes each proxy is appointed to exercise. If you do not specify a percentage or number, each proxy may exercise half of the votes. You must return both Proxy Forms together. If you require additional Proxy Forms, please contact the Company Secretary on +61 (0) 435 905 770.

If you sign the enclosed Proxy Form, and mark the box against the Chairman, the Chairman will be appointed as your proxy. The Chairman currently intends to vote undirected proxies on, and in favour of, all proposed resolutions.

If you appoint a proxy, you may still attend the meeting. However, your proxy's right to vote and speak will be suspended while you are present.

### **Attending the meeting in person**

Eligible shareholders may attend the meeting and vote in person.

If you intend to attend the meeting in person, you do not need to submit a Proxy Form.

You may still attend the meeting and vote in person even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance will suspend your proxy appointment while you are present at the meeting.

Please bring your Proxy Form with you as it will help you to register your attendance at the meeting. If you do not bring your Proxy Form with you, you can still attend the meeting but the Company will need to verify your identity. Please arrive 20 minutes prior to the start of the Annual General Meeting on the date and at the venue set out above.

### **Voting by Corporate Representative**

A shareholder that is a corporation may appoint an individual to act as its representative to vote at the meeting in accordance with section 250D of the Corporations Act 2001 (Cth) (Corporations Act). The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed. The appropriate "Appointment of Corporate Representative" form should be completed and produced prior to admission to the meeting. This form may be obtained from the Company's share registry.

### **Impact of your proxy appointment on your voting instructions**

If you appoint the Chairman as your proxy and have not directed him how to vote, you are authorising the Chairman to cast your undirected vote on all proposed resolutions in accordance with his intentions set out below.

If you appoint any other member of the Board of directors, a member of senior management who is named in the remuneration report (KMP) or their closely related parties as your proxy, they will not be able to vote your proxy on the Remuneration report unless you have directed them how to vote.

"Closely related party" is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by a KMP.

If you intend to appoint a KMP or the Chairman as your proxy, you are encouraged to direct them how to vote by marking "For", "Against" or "Abstain" for each of those items of business.

### **The Chairman's voting intentions**

The Chairman intends to vote undirected proxies on, and in favour of, all the proposed resolutions. If there is a change to how the Chairman intends to vote undirected proxies, WSG will make an announcement to the market.

The Chairman's decision on the validity of a vote cast by a proxy or vote cast in person, is conclusive.

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**POSEIDON NICKEL LIMITED**  
**NOTICE OF 2017 ANNUAL GENERAL MEETING**

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Notice is given that the 2017 Annual General Meeting of Poseidon Nickel Limited will be held at 11.00 am (AWST) on Thursday, 9 November 2017 at the offices of KPMG, Boardroom 1, Level 8, 235 St Georges Terrace, Perth, WA 6000 for the purpose of transacting the business set out in this Notice.

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 2017 Annual Financial Report**

To table and consider the Annual Reports of the Company and its controlled entities for the 12 months ended 30 June 2017 which includes the Financial Report, the Directors' and Auditor's Reports.

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**NON-BINDING Resolution**

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**1. Adoption of 2017 Remuneration Report**

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

*"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the twelve (12) months ended 30 June 2017."*

***Voting Exclusion Statement***

In accordance with Section 250R of the Corporations Act, the Company will disregard any vote cast on Resolution 1 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, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution **or** the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and
- (b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 1; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. In exceptional circumstances, the Chair of the Meeting may change their voting intention on Resolution 1, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting. If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

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## ORDINARY Resolutions

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### 2. Re-Election of Director Retiring by Rotation

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

#### 2.1 Re-election of Mr Robert Dennis

*“That, in accordance with clause 13.2 of the Company’s Constitution and for all other purposes, Mr Robert Dennis who retires by rotation in accordance with the Company’s Constitution, and being eligible for re-election, is hereby re-elected as a Director of the Company.”*

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### 3. Reset of 15% placement capacity by ratifying the prior issue of 24,554,974 Shares

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve the previous issue of 24,554,974 Shares in the capital of the Company to Jefferies LLC as described 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. Reset of 15% placement capacity by ratifying the prior issue of 549,451 Shares

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve the previous issue of 549,451 Shares in the capital of the Company to Mr Michael Rodriguez as described in the Explanatory Memorandum”.*

**Voting Exclusion:** *The Company will disregard any votes cast on this Resolution by Mr Michael Rodriguez and any associates of Mr Michael Rodriguez. 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. Reset of 15% placement capacity by ratifying the prior issue of 99,390,658 Shares

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve the previous issue of 99,390,658 Shares in the capital of the Company to professional and sophisticated investor clients of Pershing Australia Nominees Pty Ltd, 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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**6. Reset of 10% placement capacity by ratifying the prior issue of 30,609,342 Shares under ASX Listing Rule 7.1A**

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 approve the previous issue of 30,609,342 Shares in the capital of the Company to professional and sophisticated investor clients of Pershing Australia Nominees Pty Ltd, 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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**7. Approval for the issue of Performance Rights under the Director Fees Performance Rights Plan to Mr David Singleton in Satisfaction of Director Fees for the Financial Year ending 30 June 2018**

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

*“That, for all purposes including the purposes of ASX Listing Rule 10.14 and section 195(4) of the Corporations Act, approval be given to grant Performance Rights in the Company up to the value of \$64,088.00 to Mr David Singleton in satisfaction of director’s fees for the financial year ending 30 June 2018 as described in the Explanatory Memorandum accompanying this Notice.”*

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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 2018**

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

*“That, for all purposes including the purposes of ASX Listing Rule 10.14 and section 195(4) of the Corporations Act, approval be given to grant Performance Rights in the Company up to the value of \$64,088.00 to Mr Robert Dennis (or his nominee) in satisfaction of director’s fees for the financial year ending on 30 June 2018 as described 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 2018**

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

*“That, for all purposes including the purposes of ASX Listing Rule 10.14 and section 195(4) of the Corporations Act, approval be given to grant Performance Rights in the Company up to the value of \$74,088.00 to Mr Geoffrey Brayshaw (or his nominee) in satisfaction of director’s fees for the financial year ending on 30 June 2018 as described 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 and Additional Part Time Duties for the Financial Year ending 30 June 2018

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

*“That, for all purposes including the purposes of ASX Listing Rule 10.14 and section 195(4) of the Corporations Act, approval be given to grant Performance Rights in the Company up to the value of \$324,480.00 to Mr Christopher Indermaur (or his nominee) in satisfaction of director’s fees and additional part time duties in the absence of a CEO for the financial year ending on 30 June 2018 as described in the Explanatory Memorandum accompanying this Notice.”*

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### VOTING EXCLUSION STATEMENT FOR RESOLUTIONS 7 to 10

The Company will disregard any votes cast on Resolutions 7 to 10 by Messrs Singleton, Dennis, Brayshaw and Indermaur and any Associates of Messrs Singleton, Dennis, Brayshaw and Indermaur. However, the Company will not disregard a vote if:

- (a) It is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) 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.

Further, pursuant to section 224 of the Corporations Act, the Company will also disregard any votes cast on Resolutions 7 to 10 (in any capacity) by or on behalf a related party of the Company to whom the resolution would permit a financial benefit to be given or an Associate of such a related party. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on Resolutions 7 to 10 and it is not cast on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an Associate of such a related party.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 5 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolutions 7 to 10; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolutions 7 to 10. In exceptional circumstances, the Chair of the Meeting may change [his/her] voting intention on Resolutions 7 to 10, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against Resolutions 7 to 10 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

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## SPECIAL Resolution

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### 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, approval is provided for the Company to have the additional capacity (up to a further 10%) to issue Equity Securities under ASX Listing Rule 7.1A, for the period specified in Listing Rule 7.1A.1 and in accordance with the formula prescribed in Listing Rule 7.1A.2.”*

**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.

## **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**



**Eryn Kestel**  
**Company Secretary**  
18 September 2017

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## **EXPLANATORY MEMORANDUM**

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This Explanatory Memorandum has been prepared for the information of Shareholders relating to the 2017 Annual General Meeting of Poseidon Nickel Limited to be held on Thursday, 9 November 2017 at the offices of KPMG, Boardroom 1, Level 8, 235 St Georges Terrace, Perth WA 6000.

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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## **2017 ANNUAL FINANCIAL REPORT**

The first agenda item is to receive the 2017 Annual Report of the Company for the 12 months ended 30 June 2017.

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 financial year that ended 30 June 2017. Those Shareholders that elected to receive a printed copy of the Annual Report will have received a copy with this Notice.

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

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

No formal resolution to adopt the annual report will be put to the shareholders at the Annual General Meeting.

Shareholders who are unable to attend the Annual General Meeting can submit written questions under Section 250PA of the Corporations Act in relation to:

- (a) The preparation and the content of the 2017 Auditor's Report;
- (b) The conduct of the 2017 audit;
- (c) Accounting policies adopted by the Company in relation to the preparation of the 2017 financial statements; and
- (d) The independence of the Auditor in relation to the conduct of the 2017 audit

The questions will need to be submitted no later than five (5) business days before the Annual General Meeting (no later than Tuesday, 31 October 2017) to the Company.

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

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

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## **RESOLUTION 1 – ADOPTION OF 2017 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 table the Company's Remuneration Report to Shareholders for consideration and adoption.

The Remuneration Report is incorporated into the Directors' Report contained in the 2017 Annual Report and in accordance with Section 300A of the Corporations Act sets out the remuneration policy of the Company and reports the current remuneration arrangements for the Directors and senior management of the Company.

The Remuneration Report:

- sets out the remuneration arrangements for each Director and any service agreements;
- explains the Board's policies in relation to the objectives and structure of remuneration paid to Directors; and
- provides details of any equity-based compensation.

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 by the Chairman at the Meeting to ask questions of the Directors or make comment on the 2017 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 Report. However, the Board will consider the outcomes of the votes when considering the future remuneration arrangements of the Company.

The Remuneration Report is incorporated into the Directors' Report as set out in the 2017 Annual Report and is also available from the Company's website ([www.poseidon-nickel.com.au](http://www.poseidon-nickel.com.au)).

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.

If at least 25% of the votes cast on the Adoption of the Remuneration Report Resolution vote against the Resolution for two (2) years consecutively, the Board Spill provisions will be triggered.

The 2016 Remuneration Report did not receive a vote of more than 25% against its adoption at the Company's last annual general meeting held on 12 October 2016. Accordingly, if at least 25% of the 2017 votes cast on Resolution 1 are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

Pursuant to the Corporations Act, if the Chairman, a Key Management Personnel or any Closely Related Party is appointed as a proxy to vote on Resolution 1, **express instructions/directions must be given so that the proxy knows how to vote** - if no directions on how to vote on Resolution 1 is provided, the Chairman, a Key Management Personnel or any Closely Related Party is prevented by the Corporations Act from exercising the undirected vote and the vote will not be counted in relation to Resolution 1.

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

#### **Recommendation of Board**

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

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## **RESOLUTION 2 – RE-ELECTION OF DIRECTOR**

### **Resolution 2**

#### **Re-Election of Director through Rotation**

Resolution 2 seeks approval for the re-election of Mr Robert Dennis as a Non-Executive Director with effect after the Annual General Meeting.

In accordance with ASX Listing Rule 14.4, Directors must retire after the third Annual General Meeting since they were last elected.

Clause 13.2 of the Constitution, sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting - one-third of the directors must retire from office.

Poseidon Nickel Limited currently has three (3) Non-Executive Directors – Mr Geoffrey Brayshaw, Mr Robert Dennis and Mr David Singleton and accordingly, one (1) must retire by rotation. Mr Dennis was elected to the Poseidon Board following shareholder approval in November 2014 and has not previously been put forward under the rotation policy, therefore in this context he is the Director who has been longest in office and being eligible offers himself for re-election.

**Mr Robert Dennis  
Non-Executive Director**

***Qualifications***

BAppSc (Mining Engineering); and  
FAusIMM(CP)

***Experience and expertise***

Mr Dennis is a mining engineer with over 40 years' experience in the nickel, copper, gold and alumina industries and is currently Chief Operating Officer (COO) for Independence Group (IGO).

Rob brings a wealth of project development, operational and management expertise and has previously held senior management roles with Western Mining, Wiluna Mines, Great Central Mines, Lionore, Aditya Birla Minerals.

**Recommendation of Board**

*The Board (excluding Mr Dennis) recommends the re-election of Mr Dennis as a Director of the Company.*

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## **RESOLUTIONS 3 to 6 – Ratification of prior issue of Shares**

**General**

During the last 12 months, Poseidon has issued 144,495,083 Shares, the subject of Resolutions 3 to 6 which were carried out under the Company's ability to issue 15% of its issued capital under ASX Listing Rule 7.1 and a further 10% of its issued capital under ASX Listing Rule 7.1A. Resolutions 3 to 6 seeks Shareholder approval pursuant to ASX Listing Rule 7.4 for the issue in total of 144,495,083 Shares in the capital of the Company that have already been issued.

**Listing Rule 7.1 and 7.4**

The Board can issue up to 15% of its issued capital without Shareholder approval each 12 month. The 144,495 083 Shares the subject of Resolutions 3 to 6 was issued without Shareholder approval and from the Company's 15% placement capacity under ASX Listing Rule 7.1.

Under ASX Listing Rule 7.4, Poseidon can seek Shareholder ratification of an issue(s) made within the 15% placement capacity limit of ASX Listing Rule 7.1 and, if approved, the effect of the ratification is to deem that the 144,495,083 Shares issued were issued with Shareholder approval, meaning that, from the date of this approval, the Board is again able to issue up to a further 15% of the issued capital without Shareholder approval.

ASX Listing Rule 7.4 enables the Company to ratify an issue of securities made without prior Shareholder approval under Listing Rule 7.1 if:

- (a) the issue of Shares did not breach Listing Rule 7.1; and
- (b) Shareholders subsequently approve the issue of those securities by the Company.

The Company confirms the issue of the 124,495,083 Shares the subject of Resolutions 3 to 5 did not at any time breach ASX Listing Rule 7.1 and Shareholder approval is being obtained after the Shares were issued.

Listing Rule 7.1A and 7.4

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval by way of special resolution at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital to be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Poseidon, an Eligible Entity obtained approval at its AGM on 12 October 2016 to issue Equity Securities up to 10% of its issued capital.

Poseidon has issued 20,000,000 Shares under Listing Rule 7.1A in the last 12 months.

As stated, under Listing Rule 7.4, Poseidon can seek Shareholder ratification of an issue made within the 15% placement capacity limit of Listing Rule 7.1 and can also do so for an issue of Shares made within the 10% placement capacity limit of Listing Rule 7.1A. If given, the effect of the ratification is to deem that the 20,000,000 Shares issued as per Resolution 6 were issued with Shareholder approval, meaning that, from the date of this approval, the Board is again able to issue up to a further 10% of the issued capital without Shareholder approval, to be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2

If Resolutions 3 to 6 are not approved, the Placements will remain valid and effective, however, without ratification, the Company will be restricted in its ability to issue Shares without shareholder approval during the next 12-month period. Poseidon is likely to issue further Shares within the next 12 months to raise additional capital and so the Company seeks ratification of these Share issues under the Placements to provide future flexibility to place Shares.

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**RESOLUTION 3 - Reset of 15% placement capacity by ratifying the prior issue of 24,554,974 Shares to Jefferies LLC**

In accordance with the terms and conditions of the Convertible Note Deed with Jefferies LLC, interest is payable on the Convertible Notes at 5% per annum quarterly in arrears which can be paid in cash or through the issue of fully paid Ordinary Shares in the capital of Poseidon.

Poseidon in consultation and agreement with Jefferies LLC resolved to satisfy the September 2016, March and June 2017 quarter interest payments through the issue of fully paid Ordinary Shares, thereby preserving the Company's cash balances.

**Below** is the information required to be provided to shareholders for the purpose of obtaining shareholder approval pursuant to Listing Rule 7.4

**No. of Securities Issued:**

- (A) 4,520,951 fully paid ordinary shares in payment of September 2016 quarter convertible note interest;
- (B) 6,662,794 fully paid ordinary shares in payment of March 2017 quarter convertible note interest;
- (C) 13,371,229 fully paid ordinary shares in payment of June 2017 quarter convertible note interest

**Issue Price:**

- (A) Deemed issue price of \$0.0574 being the five (5) day VWAP to and including 30 September 2016. Total interest payable of A\$259,489;
- (B) Deemed issue price of \$0.0382 being the five (5) day VWAP to and including 31 March 2017. Total interest payable of A\$254,293;
- (C) Deemed issue price of \$0.0193 being the five (5) day VWAP to and including 30 June 2017. Total interest payable of A\$258,656;

**Issue Date:**

(A) 04 October 2016;

(B) 03 April 2017;

(C) 30 June 2017;

**Reason for Issue:**

The payment of interest due on convertible notes.

**Terms of Securities:**

All shares were issued as fully paid ordinary shares ranking equally with existing shares. Quotation on the ASX was sought and obtained.

**Subscriber:**

The Shares were issued to Jefferies LLC, being the convertible note holder.

**Recommendation of Board**

*The Board believes that the ratification of these issues is beneficial for the Company.*

*The Board unanimously recommends Shareholders vote in favour of Resolution 3, as it allows the Company to ratify the above issues of Shares and retain the flexibility to issue the maximum number of equity securities permitted under Listing Rule 7.1 without shareholder approval.*

*Furthermore, the Company could preserve its cash reserves because of being able to offer Shares in payment of quarterly interest payments.*

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**RESOLUTION 4 - Reset of 15% Placement Capacity by ratifying the prior issue of 549,451 Shares for Performance**

On 11 January 2017, Poseidon issued 549,451 fully paid ordinary shares to Mr Michael Rodriguez.

This issue was in relation to an announcement made on the 16 November 2016 regarding the Company entering into an exclusive Option Deed Agreement with Kidman Resources Limited to lease the Lake Johnston facility for the processing of lithium hosted pegmatites.

The outcome for the Company was significant and had involved many man hours to bring about the transaction. Mr Michael Rodriguez, Chief Operational Officer was a key driver for the Company during the negotiation stages.

The Board of Directors wanted to acknowledge Mr Rodriguez's effort and accomplishments in bringing about the transaction and offered him a discretionary Share issue.

**Below** is the information required to be provided to shareholders for obtaining shareholder approval pursuant to Listing Rule 7.4

**No. of Securities Issued:**

549,451 fully paid ordinary shares

**Issue Price:**

Deemed issue price of \$0.0455 being the five (5) day VWAP up to and including 16 December 2016.

**Issue Date:**

10 January 2017

**Reason for Issue:**

In recognition of the significant effort and accomplishment by Mr Michael Rodriguez, Chief Operational Officer in the negotiation stages in securing the Option Deed Agreement with Kidman Resources Limited.

**Terms of Securities:**

All Shares were issued as fully paid ordinary shares ranking equally with existing shares. Quotation on the ASX was sought and obtained.

**Subscriber:**

The Shares were issued to Mr Michael Rodriguez.

**Recommendation of Board**

*The Board believes that the ratification of these issues is beneficial for the Company.*

*The Board unanimously recommends Shareholders vote in favour of Resolution 4, as it allows the Company to ratify the above issues of Shares and retain the flexibility to issue the maximum number of equity securities permitted under Listing Rule 7.1 without shareholder approval.*

*Furthermore, the Company could preserve its cash reserves because of being able to offer Shares in payment of quarterly interest payments.*

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**RESOLUTION 5 - Reset of 15% placement capacity by ratifying the prior issue of 99,390,658 Shares to Pershing Australia Nominees Pty Ltd**

Between October 2016 and August 2017, Poseidon periodically announced the placement of 99,390,658 fully paid ordinary shares to institutional and professional investors of Pershing Australia Nominees Pty Ltd, who act as an intermediary and in turn then select from their network of unrelated investors to issue the Shares to.

**Below** is the information required to be provided to shareholders for the purpose of obtaining shareholder approval pursuant to Listing Rule 7.4

**No. of Securities Issued:**

- (A) 15,000,000 fully paid ordinary shares;
- (B) 15,000,000 fully paid ordinary shares;
- (C) 20,000,000 fully paid ordinary shares;
- (D) 10,000,000 fully paid ordinary shares;
- (E) 10,000,000 fully paid ordinary shares;
- (F) 20,000,000 fully paid ordinary shares; and
- (G) 9,390,658 fully paid ordinary shares

**Issue Price:**

- (A) \$0.0520 being the five (5) day VWAP up to and including 20 October 2016;
- (B) \$0.0430 being the five (5) day VWAP up to and including 02 February 2017;
- (C) \$0.0400 being the five (5) day VWAP up to and including 16 March 2017;
- (D) \$0.0260 being the five (5) day VWAP up to and including 14 June 2017;
- (E) \$0.0220 being the five (5) day VWAP up to and including 20 June 2017;
- (E) \$0.0260 being the five (5) day VWAP up to and including 24 July 2017; and
- (E) \$0.0210 being the five (5) day VWAP up to and including 21 August 2017;

**Issue Date:**

- (A) 20 October 2016;
- (B) 03 February 2017;
- (C) 17 March 2017;
- (D) 15 June 2017;

- (E) 21 June 2017;
- (F) 25 July 2017; and
- (G) 22 August 2017

**Reason for Issue:**

Placement to raise short-term funds for immediate use to be applied to working capital, care and maintenance programs, progressing gold and lithium exploration programs.

**Terms of Securities:**

All shares were issued as fully paid ordinary shares ranking equally with existing shares. Quotation on the ASX was sought and obtained.

**Subscriber:**

The Shares were issued to Pershing Australia Nominees Pty Ltd.

**Recommendation of Board**

*The Board believes that the ratification of these issues is beneficial for the Company.*

*The Board unanimously recommends Shareholders vote in favour of Resolution 5, as it allows the Company to ratify the above issues of Shares and retain the flexibility to issue the maximum number of equity securities permitted under Listing Rule 7.1 without shareholder approval.*

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**RESOLUTION 6 - Reset of 10% placement capacity by ratifying the prior issue of 30,609,342 Shares to Pershing Australia Nominees Pty Ltd under ASX Listing Rule 7.1A**

As at 22 August 2017, Poseidon had exhausted the 15% placement capacity with the Share issues the subject of Resolutions 3 to 5 and not wanting to limit the Company foregoing capital raising opportunities until after the 2017 Annual General Meeting when the 15% placement capacity would be replenished, the Board resolved to utilise the 10% placement capacity.

During August and September 2017, the Company placed a further 30,609,342 fully paid ordinary shares to institutional and professional investors of Pershing Australia Nominees Pty Ltd.

**Below** is the information required to be provided to shareholders for the purpose of obtaining shareholder approval pursuant to Listing Rule 7.4

**No. of Securities Issued:**

- (A) 10,609,342 fully paid ordinary shares;
- (B) 20,000,000 fully paid ordinary shares;

**Issue Price:**

- (A) \$0.0210 being the five (5) day VWAP up to and including 21 August 2017;
- (B) \$0.0260 being the five (5) day VWAP up to and including 06 September 2017;

**Issue Date:**

- (A) 22 August 2017; and
- (B) 07 September 2017

**Reason for Issue:**

Placement to raise short-term funds for immediate use to be applied to working capital, care and maintenance programs, progressing gold and lithium exploration programs.

**Terms of Securities:**

All shares were issued as fully paid ordinary shares ranking equally with existing shares. Quotation on the ASX was sought and obtained.

**Subscriber:**

The Shares were issued to Pershing Australia Nominees Pty Ltd.

**Recommendation of Board**

*The Board believes that the ratification of these issues is beneficial for the Company.*

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**Resolutions 7 to 10 – Approval for Issue of Performance Rights under Director Fees Performance Rights Plan in Satisfaction of Director Fees and Additional Part Time Duties for the financial year ending 30 June 2018**

It is proposed that Messrs Geoffrey Brayshaw, Christopher Indermaur, Robert Dennis and David Singleton (**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 2017 and ending on 30 June 2018.

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.

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, Robert Dennis and David Singleton (all Directors) or their nominees (together the **Participating Directors**).
- (b) The directors' fees for the financial year ending 30 June 2018 total \$297,434 and will be paid as follows:
  - \$74,088.00 (2,469,600) Performance Rights<sup>1</sup>) to Geoffrey Brayshaw;
  - \$95,170.00 (3,172,333) Performance Rights<sup>1</sup>) to Christopher Indermaur;
  - \$64,088.00 (2,136,267) Performance Rights<sup>1</sup>) to Robert Dennis; and
  - \$64,088.00 (2,136,267) Performance Rights<sup>1</sup>) to David Singleton

<sup>1</sup> The number of Performance Rights has been calculated in accordance with paragraph (h) below

- (c) The fees for the financial year ending 30 June 2018 in satisfaction of additional part time duties and increased workload in the absence of a Chief Executive Officer to Mr Indermaur totals \$229,310 and if calculated in accordance with paragraph (h) below would result in 7,643,667 Performance Rights. The fee is based on 40% of the CEO salary;
- (d) The above fees agreed to be paid to the Participating Directors also considers the review, responsibilities and discussions to be completed from their respective appointments to the following committees:
  - Mr Brayshaw  
Chairman of the Audit and Risk Management Committee; and

Member of the Remuneration, Nominations and Diversity Committee

- Mr Indermaur  
Non-Executive Chairman of the Board,  
Chairman of the Remuneration, Nominations and Diversity Committee;  
Member of the Audit and Risk Management Committee; and  
Chief Executive Officer duties (part-time basis)
  - Mr Dennis  
Member of the Remuneration, Nominations and Diversity Committee; and  
Member of the Audit and Risk Management Committee
  - Mr Singleton  
Member of the Remuneration, Nominations and Diversity Committee; and  
Member of the Audit and Risk Management Committee
- (e) 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 2018 (\$297,434) divided by the deemed issue price of the Performance Rights calculated in accordance with paragraph (h) 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;
- (f) The maximum number of Performance Rights which may be issued to Mr Indermaur in recognition of the additional responsibilities and extra workload for assuming the combined role of Chief Executive Officer and Managing Director is determined by the further fee for the financial year ending on 30 June 2018 (\$229,310) divided by the monthly deemed issue price, which is no less than the volume weighted average (VWAP) sale price of Shares sold on ASX for the month, obtained as at close of trade on the last day of the month;
- (g) All 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 2017/2018 financial year, subject to paragraph (h) below;
- (h) For the financial year ending 30 June 2018 the maximum number of Performance Rights that may be issued to the Participating Directors for fees and additional duties assuming a deemed issue price of \$0.03 per Right, being the closing Share price as at 15 September 2017 being the date of preparing this Notice of Meeting will be capped at 17,558,134 Shares;
- (i) The Performance Rights issued under the DFPRP in satisfaction of Director fees for the 2016/2017 financial year, as approved by Shareholders at the October 2016 Annual General Meeting is as follows:
- 1,766,958 Performance Rights to Geoffrey Brayshaw;
  - 2,268,411 Performance Rights to Christopher Indermaur;
  - 1,524,349 Performance Rights to Robert Dennis; and
  - 1,524,349 Performance Rights to David Singleton
- (j) The Performance Rights issued under the DFPRP in satisfaction of additional part time duties and increased workload in the absence of a Chief Executive Officer to Mr Indermaur for the 2016/2017 financial year as approved by Shareholders at the October 2016 Annual General Meeting were 5,402,882
- (k) All the Directors of the Company are eligible to participate in the Director Fees Rights Plan.

- (l) 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 2018; and
- (m) 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, Dennis and Singleton decline to make a recommendation to Shareholders in relation to Resolutions 7 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 7 to 10 as cash is preserved, the interests of Messrs Brayshaw, Indermaur, Dennis and Singleton 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, Dennis and Singleton for outstanding Director fees.

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

### **General**

The Company is seeking Shareholder approval to issue an additional 10% of its issued capital over a 12-month period pursuant to Listing Rule 7.1A.

Pursuant to Listing Rule 7.1A, small and mid-cap listed entities that meet the eligibility threshold and have obtained the approval of their ordinary shareholders by special resolution at the annual general meeting, are permitted to issue an additional 10% of issued capital over a 12-month period from the date of the annual general meeting (**Additional 10% Placement**). The Additional 10% Placement under Listing Rule 7.1A is in addition to the ability of the Company to issue 15% of its issued capital without shareholder approval over a 12-month period pursuant to Listing Rule 7.1. The Company may issue the Equity Securities to raise funds for the Company and as non-cash consideration (further details of which are set out below).

### **Listing Rule 7.1A**

#### **Eligibility**

An entity is eligible to undertake an Additional 10% Placement if at the time of its annual general meeting it has a market capitalisation of \$300 million or less and it is not included in the S&P/ASX300 Index.

For illustrative purposes only, on 15 September 2017, the Company's market capitalisation was approximately \$29.6 million based on the last trading price on that date. The calculation of market capitalisation will be based on the last trading price of the shares, on the last trading day on which trades in the shares were recorded before the date of the Annual General Meeting, multiplied by the number of Shares on issue (excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is also not included in the S&P/ASX300 Index as at the time of preparing this Notice of Meeting, however, it should be noted that the S&P/ASX300 Index is rebalanced twice a year in March and September.

The Company is therefore an Eligible Entity and able to undertake an Additional 10% Placement under Listing Rule 7.1A.

If the Company for any reason ceases to be an Eligible Entity after the Company has already obtained Shareholder approval pursuant to this Resolution, the approval obtained will not lapse and the Company will still be entitled to issue the Equity Securities during the 12-month period following this Annual General Meeting (**AGM**).

### **Special Resolution**

Listing Rule 7.1A requires this Resolution to be passed as a Special Resolution, which means that it must be passed by at least 75% of the votes cast by members entitled to vote on the Resolution.

Pursuant to Listing Rule 7.1A, no Equity Securities will be issued until and unless this Special Resolution is passed at the AGM.

### **Shareholder Approval**

The ability to issue the Equity Securities is conditional upon the Company obtaining Shareholder approval by way of a Special Resolution at the AGM.

### **Listing Rules 7.1 and 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% capacity under Listing Rule 7.1.

At the date of this Notice of Meeting, the Company has on issue 985,071,644 Shares. The Company will have the capacity to issue the **below** Equity Securities immediately following the Meeting:

- 147,760,075 Equity Securities under its 15% Placement Capacity (Listing Rule 7.1); and
- Subject to Shareholder approval being obtained under this Resolution, a further 98,507,164 Equity Securities under its 10% Additional Capacity (Listing Rule 7.1A).

The actual number of Equity Securities that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as described following).

### **Formula for calculating the 10% Placement Capacity under Listing Rule 7.1A.2**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an AGM may issue or agree to issue, during the 10% Placement Period, a number of Equity Securities calculated in accordance with the following formula:

#### **(A x D) – E**

**A** is the number of fully paid shares on issue 12 months before the date of issue or agreement:

- plus, the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus, the number of partly paid shares that became fully paid in the 12 months;
- plus, the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4 (which does not include the 10% Placement Capacity);
- less the number of fully paid shares cancelled in the 12 months.

*Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% Placement Capacity.*

**D** is 10%;

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

### **Specific information required by Listing Rule 7.3A.**

#### **Minimum price of securities issued under Listing Rule 7.1A-Listing Rule 7.3A.1**

Pursuant to and in accordance with Listing Rule 7.1A.3, the Equity Securities issued pursuant to approval under Listing Rule 7.1A must have an issue price of not less than 75% of the VWAP for the Equity Securities over the 15 trading days immediately before:

- (1) the date on which the price at which the Equity Securities are to be issued is agreed; or

- (2) if the Equity Securities are not issued within five (5) trading days of the date in paragraph (1) above, the date on which the Equity Securities are issued.

The Company will disclose to the ASX the issue price on the date of issue of the Equity Securities

**Risk of economic and voting dilution - Listing Rule 7.3A.2**

As provided by Listing Rule 7.3A.2, if Resolution 7 is passed and the Company issues the Equity Securities, there is a risk of economic and voting dilution to the existing Shareholders. The Company currently has on issue 985,071,644 Shares and could issue 98,507,164 Shares immediately following the AGM (however, it is important to note that the exact number of Equity Securities which may be issued will be calculated in accordance with the formula contained in Listing Rule 7.1A.2, details of which are set out above). Any issue of Equity Securities will have a dilutive effect on existing Shareholders.

Shareholders should note that there is a risk that:

- the market price for the Company's Equity Securities may be significantly lower on the issue date than it is on the date of the Annual General Meeting; and
- the Company's Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the date of issue

which may have an **effect** on the amount of funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity.

As required by Listing Rule 7.3A.2, the table below shows the dilution effect for existing Shareholders upon the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity, using different variables such as:

- the issued share capital has increased by both 50% and 100%; and
- the market price of the Shares as at the close of trade on 15 September 2017 has halved and then doubled.

Shares on Issue		Dilution Table		
<i>Variable A in Listing Rule 7.1A.2</i>		<b>\$0.015 50% decrease in Issue Price</b>	<b>\$0.03 Current Share Price</b>	<b>\$0.06 100% increase in Issue Price</b>
<b>Current Issued Shares 985,071,644</b>	<b>10% Voting Dilution</b>	98,507,164 Shares	98,507,164 Shares	98,507,164 Shares
	<b>Funds raised</b>	\$1,477,607	\$2,955,215	\$5,910,430
<b>50% increase in Issued Shares 1,477,607,466 Shares</b>	<b>10% Voting Dilution</b>	147,760,747 Shares	147,760,747 Shares	147,760,747 Shares
	<b>Funds raised</b>	\$2,216,411	\$4,432,822	\$8,865,645
<b>100% increase in Issued Shares 1,970,143,288 Shares*</b>	<b>10% Voting Dilution</b>	197,014,329 Shares	197,014,329Shares	197,014,329Shares
	<b>Funds raised</b>	\$2,955,215	\$5,910,430	\$11,820,860

The following assumptions were made when preparing the dilution table:

1. There are currently **985,071,644** Shares on issue as at the date of this Notice of Meeting;
2. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares;
3. The Company issues the maximum number of Equity Securities available under the 10% Placement Capacity;
4. No Options are exercised into Shares before the date of the issue of the Equity Securities;
5. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. Therefore, the voting dilution is shown in each example as 10%;
6. The table does not show the dilution affect that may be caused to a Shareholder;
7. 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; and
8. The issue price of \$0.03 is the closing price of the Shares on the ASX as at 15 September 2017.

#### **Final Date for Issue - Listing Rule 7.3A.3**

As required by Listing Rule 7.3A.3, the Company will only issue the Equity Securities during the 12 months after the date of the 2017 AGM which the Company anticipates will end on 09 November 2018.

The approval under this Resolution for the issue of the Equity Securities will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (the disposal of the main undertaking of the Company) before the anniversary of the Annual General Meeting.

#### **Purpose - Listing Rule 7.3A.4**

As noted above, the purpose for which the Equity Securities may be issued include to raise funds for the Company and as non-cash consideration (further details of which are set out below).

Funds raised from the issue of Equity Securities, if undertaken, would be applied towards:

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 existing Black Swan and Lake Johnson Nickel projects as well as any new mineral projects acquired by the Company during the period ahead;
3. Care and maintenance programs and progressing lithium exploration programs;
4. Repayment of debt;
5. Potential acquisition of new assets and investments by either or both of the following:

6. For ongoing future working capital purposes

**Shares Issued for Non-Cash Consideration - Listing Rule 7.3A.4**

The Company may issue Equity Securities for non-cash consideration, such as the acquisition of new assets or investments. If the Company issues Equity Securities for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the Equity Securities complies with Listing Rule 7.1A.3.

**Company's Allocation Policy - Listing Rule 7.3A.5**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of the Equity Securities. The identity of the potential investors of Equity Securities will be determined on a case – by - case basis having regard to several factors including but not limited to the following:

- (1) the methods of raising funds that are available to the Company including, but not limited to, rights issue; or
- (2) other issue in which existing shareholders can participate;
- (3) the effect of the issue of the Equity Securities on the control of the Company;
- (4) the financial situation and solvency of the Company; and
- (5) Advice from corporate, financial and broking advisers (if applicable).

The potential investors of the Equity Securities have not been determined as at the date of this Notice but may include existing substantial Shareholders and new Shareholders who are not related parties or associates of a related party of the Company.

Furthermore, if the Company is successful in acquiring new assets or investments for which Equity Securities are issued as consideration, it is likely that the potential investors of some of the Equity Securities will be the vendors of the new assets or investments.

**Equity Issues over Last 12 Months – Listing Rule 7.3A.6A**

Pursuant to the requirements of Listing Rule 7.3A.6(b), all the cash and non-cash equity issues made by the Company since the date of the 2016 AGM held on 12 October 2016 are detailed in Annexure A.

For the purpose of Listing Rule 7.3A.6(a), 219,278,588 Equity Securities were issued in the 12-month period preceding the 2017 Meeting representing 26.28% of the Equity Securities on issue at the start of the 12 Month Period.

Equity Securities on issue at commencement of 12-month period	834,241,513
Equity Securities issued in last 12-month period under Listing Rule 7.1 and 7.1A comprised as follows: 155,351,082 Shares 14,783,806 Unlisted Performance Rights; and 49,143,700 Short and Long-Term Incentive Rights <b>219,278,588</b>	219,278,588
Percentage Equity Securities issued represents of total number of Equity Securities on issue at commencement of 12-month period	18.6%

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2016 AGM and in accordance with Listing Rule 7.3A.6, the Company confirms that 30,609,342 Equity Securities were issued under the 10% Placement Capacity on 22 August and 07 September 2017 as detailed in Resolution 6 above.

At the date of the Notice, the Company has not approached any existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity

Securities utilising this 10% Placement Facility following the 2017 Annual General Meeting. No existing Shareholder's votes will therefore be excluded under the voting at the Meeting.

**Voting Exclusion Statement**

A voting exclusion statement is included for this Resolution in the Notice of Meeting accompanying the Explanatory Memorandum.

***Recommendation of the Board***

The Directors of the Company believe that Resolution 7 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

The ability of the Company to issue Shares under the 10% Placement Capacity will enable the Company to issue Shares at a discount to the then market price in circumstances where it might otherwise be subjected to the cost, delay and uncertainty of having to go back to Shareholders for approval. The additional flexibility and speed to conduct capital raising will better position the Company to pursue its interests in the prevailing difficult market conditions.

Issue Date	Number	Type	Consideration	The persons to whom the Equity Securities were issued or the basis on which those persons were determined	Issue Price	Discount to market price (MP) at issue date	Cash received / Funds Raised	Use of Funds
12 October 2016	4,520,951	Shares	Non-Cash \$259,489	Jefferies LLC	\$0.0574	No	N/A	In satisfaction of the September 2016 quarter interest payment on Convertible Note.
20 October 2016	15,000,000	Shares	Cash	Sophisticated investors of Pershing Nominees Australia Pty Ltd	\$0.052	No	\$725,135 Spent	Funds used for working capital and progressing lithium exploration activities
	246,657	Shares	Non-Cash \$12,086	Employee (Mr N Hutchison)	\$0.06	No	N/A	Exercise of Short Term Incentive Performance Rights by an employee pursuant to the terms of Poseidon Nickel Limited Incentive Performance Rights Plan
	1,194,735	Unlisted Performance Rights	Non-Cash \$72,998	Mr Geoff Brayshaw, Mr Chris Indermaur, Mr David Singleton and Mr Robert Dennis	\$0.0611	No	N/A	In lieu of director fees for the September 2016 quarter
	199,689	Unlisted Performance Rights	Non-Cash \$8,147	Mr David Singleton	\$0.0408	No	N/A	In lieu of director fees from 1 February to 31 March 2016
	225,089	Unlisted Performance Rights	Non-Cash \$13,393	Mr David Singleton	\$0.0595	No	N/A	In lieu of director fees from 1 April to 30 June 2016
	1,872,079	Unlisted Performance Rights	Non-Cash \$81,081	Mr Chris Indermaur	VWAP's for Jan, Feb, Mar, Apr, May & Jun 16	No	N/A	In lieu of fees for additional part time duties in the absence of CEO from 1 February to 30 June 2016
	919,629	Unlisted Performance Rights	Non-Cash \$56,665	Mr Chris Indermaur	VWAP's for Jul, Aug & Sep 16	No	N/A	In lieu of fees for additional part time duties in the absence of CEO for September 2016 quarter
	11,614,021	Unlisted Incentive Rights	Non-Cash	Senior Employees	Nil	No	N/A	Unlisted Incentive Rights issued as part of the Company's 2017 annual short and long-term incentive plan.
10 January 2017	549,451	Shares	Non-Cash \$25,000	Mr Michael Rodriguez	\$0.0455	No	N/A	To acknowledge considerable effort and accomplishment in the negotiation phase of the Option Agreement with Kidman Resources Limited by Senior Employee

Issue Date	Number	Type	Consideration	The persons to whom the Equity Securities were issued or the basis on which those persons were determined	Issue Price	Discount to market price (MP) at issue date	Cash received / Funds Raised	Use of Funds
10 January 2017	1,477,698	Unlisted Performance Rights	Non-Cash \$72,998	Mr Geoff Brayshaw, Mr Chris Indermaur, Mr David Singleton and Mr Robert Dennis	\$0.0574	No	N/A	In lieu of director fees for the December 2016 quarter
	1,169,332	Unlisted Performance Rights	Non-Cash \$56,665	Mr Chris Indermaur	VWAP's for Oct, Nov & Dec 16	No	N/A	In lieu of fees for additional part time duties in the absence of CEO for December 2016 quarter
03 February 2017	15,000,000	Shares	Cash	Sophisticated investors of Pershing Nominees Australia Pty Ltd	\$0.043	No	\$671,637 Spent	Funds used for working capital and progressing lithium exploration activities
17 March 2017	20,000,000	Shares	Cash	Sophisticated investors of Pershing Nominees Australia Pty Ltd	\$0.040	No	\$635,145 Spent	Funds used for working capital and progressing lithium exploration activities
03 April 2017	6,662,794	Shares	Non-Cash \$254,293	Jefferies LLC	\$0.0382	No	N/A	In satisfaction of the March 2017 quarter interest payment on Convertible Note.
07 April 2017	1,677,768	Unlisted Performance Rights	Non-Cash \$72,998	Mr Geoff Brayshaw, Mr Chris Indermaur, Mr David Singleton and Mr Robert Dennis	\$0.0435	No	N/A	In lieu of director fees for the March 2017 quarter
	1,307,446	Unlisted Performance Rights	Non-Cash \$55,434	Mr Chris Indermaur	VWAP for Jan, Feb, Mar 17	No	N/A	In lieu of fees for additional part time duties in the absence of CEO for March 2017 quarter
15 June 2017	10,000,000	Shares	Cash	Sophisticated investors of Pershing Nominees Australia Pty Ltd	\$0.0260	No	\$232,160 Spent	Funds used for working capital and progressing lithium exploration activities
21 June 2017	10,000,000	Shares	Cash	Sophisticated investors of Pershing Nominees Australia Pty Ltd	\$0.0220	No	\$198,879 Spent	Funds used for working capital
30 June 2017	13,371,229	Shares	Non-Cash \$258,656	Jefferies LLC	\$0.0193	No	N/A	In satisfaction of the June 2017 quarter interest payment on Convertible Note.

Issue Date	Number	Type	Consideration	The persons to whom the Equity Securities were issued or the basis on which those persons were determined	Issue Price	Discount to market price (MP) at issue date	Cash received / Funds Raised	Use of Funds
07 July 2017	2,733,866	Unlisted Performance Rights	Non-Cash \$72,998	Mr Geoff Brayshaw, Mr Chris Indermaur, Mr David Singleton and Mr Robert Dennis	\$0.0267	No	N/A	In lieu of director fees for the June 2017 quarter
	2,006,475	Unlisted Performance Rights	Non-Cash \$56,050	Mr Chris Indermaur	VWAP for Apr, May, Jun 17	No	N/A	In lieu of fees for additional part time duties in the absence of CEO for June 2017 quarter
07 July 2017	37,529,679	Unlisted Incentive Rights	Non-Cash	Senior Employees	Nil	No	N/A	Unlisted Incentive Rights issued as part of the Company's 2018 annual short and long-term incentive plan.
25 July 2017	20,000,000	Shares	Cash	Sophisticated investors of Pershing Nominees Australia Pty Ltd	\$0.0260	No	\$463,714 Spent	Funds used for working capital
22 August 2017	20,000,000	Shares	Cash	Sophisticated investors of Pershing Nominees Australia Pty Ltd	\$0.0210	No	\$502,094 Available	Funds used for working capital
07 September 2017	20,000,000	Shares	Cash	Sophisticated investors of Pershing Nominees Australia Pty Ltd	\$0.0260	No	\$520,000 Available	Will be used for working capital

## **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 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

**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 2017.

**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.