

POSEIDON NICKEL LIMITED
ACN 060 525 206

CLEANSING PROSPECTUS

For an offer of up to 20,000 Shares at an issue price of \$0.037 per Share to raise up to \$740 (before expenses) (**Offer**).

This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Shares offered by this Prospectus should be considered highly speculative.**

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1. CORPORATE DIRECTORY

Directors

Chris Indermaur
Non-Executive Chairman

David Singleton
Non-Executive Director

Geoff Brayshaw
Non-Executive Director

Robert Dennis
Non-Executive Director

Company Secretary

Eryn Kestel

ASX Code

POS

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Registered Office

Unit 8, Churchill Court
331 – 335 Hay Street
SUBIACO WA 6008

Telephone: + 61 8 6167 6600
Facsimile: +61 8 6167 6649

Website: www.poseidon-nickel.com.au

Share Registry*

Computershare Investor Services
Level 11, 172 St Georges Tce
Perth WA 6000

Telephone: +61 1300 850 505

Auditors*

KPMG Chartered Accountants
235 St George's Terrace
Perth WA 6000

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

2. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

2.1 Indicative Timetable

Action	Date
Lodgement of Prospectus with the ASIC and ASX	6 July 2018
Opening Date	6 July 2018
Closing Date*	5.00pm (WST) 6 July 2018
Expected date for quotation of Shares issued under the Offer on ASX*	10 July 2018

*The Directors reserve the right to extend the Closing Date at any time after the Opening Date without notice. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date.

2.2 Important Notes

This Prospectus is dated 6 July 2018 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Offer is only available to those who are personally invited to accept the Offer. Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

2.3 Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Shares under this Prospectus.

2.4 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in the Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

2.5 Applicants outside Australia

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

2.6 Disclaimer

No person is authorised to give information or to make any representation in connection with the Offer described in this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer. You should rely only on information in this Prospectus.

2.7 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and our management.

The Company cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

2.8 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.poseidon-nickel.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person

may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

3. DETAILS OF THE OFFER

3.1 The Offer

Pursuant to this Prospectus, the Company invites investors identified by the Directors to apply for up to 20,000 Shares at an issue price of \$0.037 per Share, to raise up to \$740 (before expenses).

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 5.

3.2 Minimum subscription

There is no minimum subscription.

3.3 Oversubscriptions

No oversubscriptions will be accepted by the Company.

3.4 Objective

As announced on 6 July 2018, the Company has issued 7,188,448 Shares to Jefferies, LLC (**Jefferies**) in lieu of a cash payment for the interest due and payable on the Convertible Note for the June quarter.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus). Accordingly, the Company is seeking to raise only a nominal amount under this Prospectus as the purpose of this Prospectus is not to raise capital.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

3.5 Applications

Applications for Shares under the Offer must only be made by investors at the direction of the Company and using the Application Form accompanying this Prospectus. By completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Application Form together with a complete and unaltered copy of the Prospectus.

Payment for Shares must be made in full at the issue price of \$0.037 per Share.

Completed Application Forms and accompanying cheques, made payable to "**POSEIDON NICKEL LIMITED**" and crossed "**Not Negotiable**", must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date.

3.6 Not underwritten

The Offer is not underwritten.

3.7 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

3.8 Issue

The issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date. Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the recipients of all the Shares. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

The Company's decision on the number of Shares to be allocated to an Applicant will be final.

3.9 Defects in Applications

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the

Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

3.10 Applicants outside Australia

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

3.11 Enquiries

Any questions concerning the Offer should be directed to Ms Eryn Kestel, Company Secretary, on +61 8 6167 6600.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date, (including prior to the date of this Prospectus).

Under the Offer, an amount of approximately \$740 (before expenses) may be raised. All of the funds raised (if any) from the Offer will be applied towards the expenses of the Offer. Refer to Section 7.8 for further details relating to the estimated expenses of the Offer.

4.2 Effect on capital structure

The effect of the Offer on the capital structure of the Company is set out below.

Shares

	Number
Shares currently on issue ¹	1,114,561,668
Shares offered pursuant to the Offer	20,000
Total Shares on issue on completion of the Offer²	1,114,581,668

Notes:

1. This includes 7,188,448 Shares issued to Jefferies on 6 July 2018 (refer to Section 3.4 for further details).
2. This assumes the Offer is fully subscribed and no other securities are issued or convertible. The Company has entered into a convertible note with Jefferies LLC (**Jefferies**) with a face value of USD\$17.5 million (**Convertible Note**).
3. The Convertible Note was issued in January 2016 on the following key terms:
 - (a) **Principal amount:** AUD\$23,632,680 (being, USD\$17,500,000, based on an exchange rate of 1 AUD = 0.7405 USD as at 29 June 2018 (**Exchange Rate**)).
 - (b) **Conversion:** The Convertible Note is convertible in whole or part into Shares at a conversion price of \$0.09, at any time during the term of the Convertible Note. As at 29 June 2018, the Convertible Note is convertible into 262,585,340 Shares (based on the Exchange Rate of 1 AUD = 0.7405 USD).
 - (c) **Maturity Date:** 30 September 2020.
 - (d) **Interest Rate:** 5% per annum, payable quarterly in arrears in cash or Shares at the election of the Company. Shares issued on conversion of the interest component of the Convertible Note will be issued at a price of the lower of \$0.09 and the average of the volume weighted average price for Shares calculated over the 5 trading days up to but not including the interest payment date.

Refer to Section 6.2(a) for further detail in relation to the Convertible Note.

Performance and Incentive Rights

	Number
Performance Rights currently on issue ¹	31,856,781
Incentive Rights currently on issue ²	45,238,037
Performance Rights and Incentive Rights offered pursuant to the Offer	Nil
Total Performance and Incentive Rights on issue after completion of the Offer	77,094,818

Notes:

1. Consisting of 31,856,781 unlisted performance rights issued to the Directors in lieu of Director fees pursuant to the Director Fees Performance Rights Plan adopted by Shareholders on 26 November 2015. This includes 6,478,943 performance rights issued to Directors in lieu of Director fees for the period January to June 2018.
2. Consisting of the following unlisted incentive rights held by senior employees of the Company:
 - (a) 46,354 "16 December 2022" Short Term Incentive Rights under the Poseidon Nickel Limited Incentive Performance Rights Plan approved by Shareholders on 26 November 2015;
 - (b) 2,026,759 "16 December 2022" Long Term Incentive Rights issued under the Poseidon Nickel Limited Incentive Performance Rights Plan approved by Shareholders on 26 November 2015;
 - (c) 5,635,245 "21 October 2023" Long Term Incentive Rights issued under the Poseidon Nickel Limited Incentive Performance Rights Plan approved by Shareholders on 26 November 2015;
 - (d) 19,319,884 "17 July 2024" Short Term Incentive Rights issued under the Poseidon Nickel Limited Incentive Performance Rights Plan approved by Shareholders on 26 November 2015; and
 - (e) 18,209,795 "17 July 2024" Long Term Incentive Rights issued under the Poseidon Nickel Limited Incentive Performance Rights Plan approved by Shareholders on 26 November 2015.

4.3 Financial effect of the Offer

After paying for the expenses of the Offer of approximately \$7,400, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$740) will be met from the Company's existing cash reserves. The Offer will have an effect on the Company's financial position, being receipt of funds of \$740 less expenses of the Offer of \$7,400.

5. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

5.1 General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

5.2 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

5.3 Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms

and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

5.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

5.5 Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

5.6 Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

5.7 Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

5.8 Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

5.9 Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6. RISK FACTORS

6.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the key specific risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Company specific

(a) Contractual Breach

As announced on 4 November 2015, the Company has entered into a convertible note agreement with Jefferies whereby the Company issued Jefferies a convertible note in the capital of the Company with a face value of USD\$17,500,000 (**Convertible Note**) in consideration for the termination of the Original Notes held by Jefferies (**Agreement**). Pursuant to the terms of the Agreement, Jefferies can convert the Convertible Note (in whole or part) into Shares at a conversion price of \$0.09 per Share at any time during the term of the Agreement (refer to Section 4.2 for further information in relation to the material terms of the Convertible Note).

Further, pursuant to the terms of the Agreement, Jefferies has a right to give notice to the Company that the Convertible Note (or that part of the Convertible Note) is immediately due and repayable where an event of default occurs, including, without limitation, where the Company's Shares are suspended from trading on the ASX for more than 15 consecutive trading days or where any representation, warranty or statement made by the Company in relation to the Agreement is incorrect or misleading in any material respect when made (**Repayment Demand**).

As the Company's Shares have been suspended for more than 15 consecutive trading days as a result of the Prior Share Issues, (refer to Sections 3.4 and 7.1 for further information), Jefferies and the Company entered into a Deed of Forbearance whereby Jefferies agreed not to make a Repayment Demand until 30 April 2018. Subsequently, as announced on 19 June 2018, the Company received a further extension until 31 July 2018.

It is possible that Jefferies may make a Repayment Demand for a breach of the Agreement not covered by the Deed of Forbearance or, should Jefferies not agree to extend the period of forbearance further, make a Repayment Demand after 31 July 2018. The Company remains in regular

communication with Jefferies and is not aware of any intention to take such action.

(b) **Petra Subscription Deed**

As previously announced, the Company has entered into a subscription deed with Petra Capital Ltd (**Petra**) whereby Petra agrees to subscribe for Shares and grant promissory notes to the Company.

The Company may be in breach of this deed as a result of the Prior Share Issues. Whilst it is possible that Petra may make claim for damages against the Company for a breach of this deed, the Company remains in regular communication with Petra and is not aware of any intention to take such action.

(c) **Projects**

The Company intends to restart its nickel mines and processing plants when the nickel commodity price rises enough to make the operations profitable.

To enable a restart of the processing plants, various potential methods of funding are being considered. These include:

- (i) loans secured against future output;
- (ii) loans linked to an equity component (such as convertible notes); and
- (iii) issues of securities in the Company.

However, there can be no guarantee that the project funding or such additional funding will be obtained on acceptable terms or at all, particularly having regard to the current condition of global financial markets and commodity prices.

In addition, If the Company seeks to obtain funding by way of an equity raising, this may be dilutive to existing Shareholders. If the Company is unable to obtain project funding or additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have an adverse effect on the Company's activities and could, in extreme circumstances, affect the Company's ability to continue as a going concern.

The Company's current strategy is a sequential restart of the mines and process plants. Initially, it is intended that the Silver Swan Mine be recommissioned, and the mined ore sold without further treatment. The mine has been kept dewatered and ventilated throughout the downturn in nickel prices to allow for a restart.

The Company intends that any revenue obtained from the sale of ore from the Silver Swan Mine would then be used to restart the Black Swan mine and processing plant.

In addition, and in the near term, the Company intends that surplus process plant operating capacity will be made available for gold and lithium miners to concentrate their product on commercial terms. However, Shareholders should note that the Company's plan is subject to

operational risks including (but not limited to) nickel commodity price, geological conditions, operational and technical difficulties.

(d) **Going concern**

The Company's interim financial report for the half-year ended 31 December 2017 includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.

The Directors will continue to review sources of funding for the coming 12-month period including debt/equity instruments. The Directors believe that nickel prices will continue to improve in the future which will enable one or more of its projects to be developed but acknowledges that there are significant market and development risks.

Notwithstanding the 'going concern' paragraph included in the interim financial report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current expenditure commitments and short term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company.

The following actions (either singularly or in combination) have been considered by the Board as potential ways to derive further funding for the Company:

- (i) an agreement with institutional brokers for raising additional capital to fund the Company's ongoing exploration and development program whilst also providing working capital requirements;
- (ii) the successful commercial exploitation of the Group's mineral interests;
- (iii) a rights issue to Shareholders; and/or
- (iv) alliance with a cornerstone investor.

The Board is currently in preliminary discussions with cornerstone investors in Australia and overseas that are interested in developing the Company's projects.

Although the discussions are at an early stage, the Directors are confident that the investment approach is sound and the opportunity will be progressed to discussing a number of funding options with these cornerstone investors.

The Board believes that maintaining strong communication with cornerstone investors, recognised global companies and institutional brokers and reviewing current projects will have a positive impact on the Company's Share price. Therefore, subject to prevailing equity market conditions, the Company will obtain sufficient funding to enable it to continue as a going concern. In the event that the Company is unable to secure sources of funding, the Company may be required to realise assets and extinguish liabilities other than in the normal course of business and at amounts different to those stated in this Prospectus.

(e) **Fluctuations in Metal Prices**

The price of nickel, gold and other base metals and other minerals fluctuates widely and is affected by numerous factors beyond the control of the Company such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of metals by producers and speculators as well as other global or regional political, social or economic events. The supply of metals consists of a combination of new mine production and existing stocks held by governments, producers, speculators and consumers.

Any production scenario for the Company's existing projects will be dependent upon the price of nickel, gold and other base metals and other minerals being adequate to make these properties economic.

Depending on the price of nickel, gold and other base metals and other minerals, the Company could be forced to discontinue any current or planned production or development and may lose its interest in, or may be forced to sell, some of its properties. There is no assurance that, even as commercial quantities of nickel gold and other base metals are produced, a profitable market will exist for them.

Declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may eventually interrupt operations until a satisfactory reassessment can be completed.

(f) **Environmental risks and regulations**

The Company's projects are subject to laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mining projects, these projects would be expected to have a variety of environmental impacts should development proceed. The Company has received environmental approval for its projects.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by the Company's activities will be rehabilitated as required by the conditions attaching to the Tenements.

(g) **Litigation risks**

The Company is exposed to possible litigation risks including contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation however it is involved in the legal proceedings disclosed in Section 7.1.

6.3 General Risks

(a) Operating Risks

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- (i) adverse geological conditions;
- (ii) limitations on activities due to seasonal weather patterns, heavy localised rainfall and cyclone activity;
- (iii) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;
- (iv) mechanical failure of operating plant and equipment;
- (v) industrial and environmental accidents, industrial disputes and other force majeure events;
- (vi) unavailability of necessary support services in a timely fashion to support activities on site;
- (vii) unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; and
- (viii) inability to obtain necessary consents or approvals.

(b) Infrastructure availability

The development of the Company's projects will require access to suitable infrastructure facilities including road, rail, gas and port facilities. Notwithstanding the relative proximity of the Company's projects to current, proposed and/or potential infrastructure facilities there is no guarantee that the Company will be able to agree suitable commercial arrangements with owners of the infrastructure facilities to use the facilities. In addition, there is no guarantee that there will be available capacity at existing infrastructure facilities to cater for any future production. Inability to access infrastructure may impact on the Company's ability to develop its projects or lead to delays in the development of the projects until infrastructure facilities are available.

(c) Future funding requirements

The Company will require additional funding in the future in order to develop its projects, including the exploration and development of any other projects. In addition, the Company will need to undertake a capital raising to raise additional funds to meet the administration and working capital costs in the medium to long term.

Any additional equity financing may be dilutive to Shareholders and any project financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

Further, there can be no assurance that any such equity or project funding will be available for the Company on favourable terms or at all.

If adequate funds are not available on acceptable terms, there is significant uncertainty as to whether the Company can continue as a going concern.

Accordingly, the Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(d) **Resource estimates**

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to activities planned with respect to the Company's projects, which may, in turn, adversely affect the Company's operations.

(e) **Exploration, Development, Mining and Processing Risks**

There is no assurance that nickel, gold or other base metals will be discovered in the areas in which the Company has an interest. Even if further nickel, gold or other base metals are discovered in those areas, there is no assurance that commercial quantities of these minerals can be recovered from the Company's permits.

Mineral exploration, project development and mining by their nature contain elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable ore resources;
- (ii) successful conclusions to bankable feasibility studies;
- (iii) access to adequate capital for project development;
- (iv) design and construction of efficient mining and processing facilities within capital expenditure budgets;
- (v) securing and maintaining title to tenements;
- (vi) obtaining consents and approvals necessary for the conduct of exploration and mining;
- (vii) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants;
- (viii) native title risks; and
- (ix) adverse weather conditions over a prolonged period which may adversely affect exploration and mining operations and the timing of revenues.

Whether or not income will result from development of tenements depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

(f) **Metallurgy**

Metal or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal or concentrate;
- (ii) developing an economic process route to produce a metal or concentrate; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(g) **Title risk and native title**

The permits in which the Company will, or may, in the future, acquire an interest, are subject to the applicable local laws and regulations. There is no guarantee that any permit, applications or conversions in which the Company has a current or potential interest will be granted.

Permits (or applications) in which the Company has an interest are (or, if granted, will be) subject to the relevant conditions applying in each jurisdiction. Failure to comply with these conditions may render the permits liable to forfeiture.

All of the projects in which the Company has an interest will be subject to application for permit renewal from time to time. Renewal of the term of each permit is subject to applicable legislation. If the permit is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that permit.

The projects in which the Company has an interest extend over areas in which legitimate common law native title rights of indigenous Australians exist. The ability of the Company to gain access to its projects and to conduct exploration, development and mining operations remains subject to native title rights and the terms of registered native title agreements. The Directors will closely monitor the potential effect of native title claims on its projects.

(h) **Ability to exploit success**

Any successful exploitation of discoveries would require obtaining the necessary production permit and the relevant government approvals as required by the relevant Government agencies. The required approvals may be issued at the discretion of the relevant authorities and might be issued subject to conditions or preconditions.

(i) **Future performance of business activities**

The value of the Company's business activities is subject to the various and unpredictable influences of the market it operates in and the economy in general. Accordingly, adverse economic and market conditions may be experienced by the Company which are outside of its control and may have an adverse effect on the Company.

6.4 Economic Risks

General economic conditions, movements in commodity prices, interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and future production activities, as well as on its ability to fund those activities.

(a) **Security Investments**

Applicants should be aware that there are risks associated with any securities investment. Shares listed on the stock market and, in particular, securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of the Company's performance.

(b) **Legislative changes, Government policy and approvals**

Changes in government regulations and policies may adversely affect the financial performance of the Company. For example, any increased rentals under the relevant legislation may impact on the Company's actual financial statements. The Company's capacity to explore and exploit any projects may be affected by changes in government policy, which are beyond the control of the Company.

(c) **Tax and Royalties Risk**

Changes to income tax (including capital gains tax), GST, stamp duty or other revenue legislation, case law, rulings or determinations issued by the Commissioner of Taxation or other practices of tax authorities may change following the date of this Prospectus or adversely affect the Company's profitability, net assets and cash flow. In particular, both the level and basis of taxation may change.

(d) **Reliance on Key Personnel and Employees**

The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. To manage its growth, the Company must attract and retain additional highly qualified management, technical, sales and marketing personnel and continue to implement and improve operational, financial and management information systems. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

(e) **Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

6.5 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

7. ADDITIONAL INFORMATION

7.1 Litigation

As announced on 20 March 2018, the Company became aware that a number of Share issues made by the Company over the few years were not accompanied by the issue of a cleansing notice or cleansing prospectus so as to permit immediate trading in these Shares (**Prior Share Issues**). The Company filed an application with the Federal Court of Australia on 9 May 2018 seeking declaratory relief and ancillary orders relating to prior trading in these Prior Share Issues, so that on-sales prior to the issue of the 5 April 2018 Prospectus (if any) will be validated and will not attract any civil liability. The hearing is listed for 12 July 2018 in the Federal Court of Australia.

As at the date of this Prospectus, the Company is not otherwise involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.2 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;

- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
- (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
04/07/2018	Trading Policy Amendment
19/06/2018	Company Update - Extension of Forbearance Deed
14/06/2018	Company Update - Federal Court Application
12/06/2018	Company Update - Federal Court Application
25/05/2018	Request for Extension of Voluntary Suspension
17/05/2018	Company Update - Federal Court Application
14/05/2018	Company Update - Federal Court Application
27/04/2018	Quarterly Report to 31 March 2018
13/04/2018	Lake Johnston Medusa Lithium Drilling Results
13/04/2018	Request for Extension of Voluntary Suspension
06/04/2018	Change in substantial holding for Jefferies LLC
04/04/2018	Appendix 3B
22/03/2018	Company Update
22/03/2018	Suspension from Official Quotation
20/03/2018	Trading Halt
08/03/2018	Interim Financial Report to 31 December 2017
31/01/2018	Quarterly Report to 31 December 2017

23/01/2018	RC Drilling has commenced at Medusa Lithium Project
04/01/2018	Change of Director's Interest Notice for Mr Singleton
04/01/2018	Change of Director's Interest Notice for Mr Dennis
04/01/2018	Change of Director's Interest Notice for Mr Brayshaw
04/01/2018	Change of Director's Interest Notice for Mr Indermaur
04/01/2018	Notice under Section 708A(e) (5)
04/01/2018	Appendix 3B
12/12/2017	RC Drilling to Commence on Medusa Lithium Project
01/12/2017	Appendix 3B
22/11/2017	Change of Director's Interest Notice for Mr Brayshaw
17/11/2017	Change in substantial holding from Minderoo Group Pty Ltd
15/11/2017	Change of Director's Interest Notice for Mr Singleton
15/11/2017	Change of Director's Interest Notice for Mr Dennis
15/11/2017	Change of Director's Interest Notice for Mr Brayshaw
15/11/2017	Change of Director's Interest Notice for Mr Indermaur
15/11/2017	Appendix 3B
10/11/2017	Clarification
10/11/2017	Amended Meeting Results
09/11/2017	Results of 2017 Annual General Meeting
09/11/2017	Presentation at 2017 Annual General Meeting
01/11/2017	Additional Information for Shares Issued under 10% Capacity
01/11/2017	Appendix 3B
17/10/2017	Quarterly Report to 30 September 2017
09/10/2017	Additional Information for Shares Issued under 10% Capacity
09/10/2017	Appendix 3B
09/10/2017	2017 Annual Report

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at www.poseidon-nickel.com.au.

7.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The Company's securities have been in a trading halt since 20 March 2018 and suspended from trading since 22 March 2018; the last sale price was \$0.037.

7.4 Substantial Shareholders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Substantial Holder	Shares	Performance Rights	Convertible Notes	Voting Power (%) ³
Minderoo Group Pty Ltd	129,824,874 ¹	Nil	Nil	11.65%
Jefferies LLC	84,986,534 ²	Nil	1	7.62%

Notes:

1. Comprising, 119,999,874 Shares held indirectly through Forest Family Investments Pty Ltd and 9,825,000 Shares held indirectly through Minderoo Pty Ltd, being entities controlled by Minderoo Group Pty Ltd.
2. Includes the 7,188,448 Shares issued to Jefferies LLC. See Section 4.2 for further details.
3. This voting power is based on 1,114,561,668 Shares on issue, which includes the Shares issued to Jefferies. See Section 4.2 for further details.

7.5 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security Holdings

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below:

Director	Shares	Performance Rights
Chris Indermaur	5,143,455 ¹	19,052,782
David Singleton	8,970,000 ²	3,706,041 ³
Geoff Brayshaw	3,984,671 ⁴	4,881,546
Robert Dennis	3,714,425	4,216,012
TOTAL	21,812,551	31,856,381

Notes:

1. Held by Mr Indermaur and Mrs Rena Indermaur as joint trustees for Indermaur Family S/F A/C, an entity of which Mr Indermaur is a director, trustee and beneficiary.
2. Comprising, 6,070,000 Shares held directly by Mr Singleton and 2,900,000 Shares held by Mr Singleton and Mrs Jill Singleton as joint trustees for Belvoir Fund A/C, an entity of which Mr Singleton is a director, trustee and beneficiary.
3. Held by Mr Singleton's spouse.
4. Comprising, 534,671 Shares held directly by Mr Brayshaw, 1,450,000 Shares held by Roundhay Pty Ltd as trustee for Roundhay Superannuation Fund, an entity controlled by Mr Brayshaw and 2,000,000 Shares held by Roundhay Pty Ltd as trustee for Roundhay Unit A/C, an entity of which Mr Brayshaw is a director, trustee and beneficiary.

No Director or any of their associates intend to participate in the Offer.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is determined by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$350,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the annual remuneration paid to both executive and non-executive Directors for the past financial year and the proposed remuneration for financial year ended 30 June 2019.

	Financial Year 2019 (\$) (Proposed) ¹	Financial Year 2018 (\$) (Actual) ¹
Chris Indermaur	324,480 ²	324,480 ²
David Singleton	64,088	64,088
Geoff Brayshaw	74,088	74,088

	Financial Year 2019 (\$) (Proposed) ¹	Financial Year 2018 (\$) (Actual) ¹
Robert Dennis	64,088	64,088

Notes:

¹ Exclusive of superannuation.

² Comprising \$95,170 2018 and \$95,170 for 2019 in salary and Director fees and \$229,310 for 2018 and \$229,310 for 2019 in satisfaction of fees for additional part time duties in the absence of a CEO.

7.6 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$7,400 (excluding GST and disbursements) for these services.

7.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the

Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

7.8 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$7,400 (excluding GST) and are expected to comprise legal fees, printing and other administrative expenses, including ASIC fees. The estimated expenses will be paid out of the Company's existing working capital.

7.9 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on (+61 8) 6167 6600 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

7.10 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification

Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.11 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Mr Chris Indermaur
Non-Executive Chairman
For and on behalf of
POSEIDON NICKEL LIMITED

9. GLOSSARY

\$ means an Australian dollar.

Applicant means an investor that applies for Shares under the Offer using an Application Form pursuant to this Prospectus.

Application Form means the application form attached to or accompanying this Prospectus relating to the Offer.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors as constituted from time to time.

Business Day 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.

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Section 2.1 (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company means Poseidon Nickel Limited (ACN 060 525 206).

Constitution means the constitution of the Company.

Convertible Note has the meaning set out in Section 6.2(a).

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

Directors means the directors of the Company at the date of this Prospectus.

Offer means the offer of Shares referred to in Section 3.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Opening Date means the opening date of the Offer as set out in the indicative timetable in the Section 2.1.

Option means an option to acquire a Share.

Prior Share Issues means as defined in Section 7.1.

Prospectus means this prospectus.

Section means a section of this Prospectus.

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

Shareholder means a holder of Shares.

WST means western standard time as observed in Perth, Western Australia.