

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Poseidon Nickel Limited

ACN/ARSN 060 525 206

1. Details of substantial holder (1)

Name Black Mountain Metals Pty Ltd

ACN/ARSN (if applicable) 627 715 735

The holder became a substantial holder on 16/08/2018

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

| Class of securities (4) | Number of securities | Person's votes (5) | Voting power (6) |
|-------------------------------------|----------------------|--------------------|--|
| Fully paid ordinary shares (Shares) | 84,986,534 | 84,986,534 | 7.62% (based on 1,114,561, 668 Shares on issue). |

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

| Holder of relevant interest | Nature of relevant interest (7) | Class and number of securities |
|-------------------------------|--|--------------------------------|
| Black Mountain Metals Pty Ltd | Entitled to be registered holder of shares pursuant to relevant agreement as attached as Annexure A under section 608 of the Corporations Act 2001 | 84,986,534 Shares |
| Black Mountain Metals, LLC | Relevant interest under section 608(3)(a) and/or section 608(b) of the Corporations Act 2001, being a relevant interest held through a body corporate (Black Mountain Metals Pty Ltd) in which the voting power of Black Mountain Metals LLC is more than 20% or which Black Mountain Metals LLC controls. | 84,986,534 Shares |

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder (8) | Class and number of securities |
|-------------------------------|---------------------------------|--|--------------------------------|
| Black Mountain Metals Pty Ltd | Jeffries LLC | Black Mountain Metals Pty Ltd | 84,986,534 Shares |
| Black Mountain Metals LLC | Jeffries LLC | Black Mountain Metals Pty Ltd | 84,986,534 Shares |

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

| Holder of relevant interest | Date of acquisition | Consideration (9) | Class and number of securities |
|-------------------------------|---------------------|---|--------------------------------|
| Black Mountain Metals Pty Ltd | 16/08/2018 | USD\$3,678,047.22 (AUD\$0.06 per Share at 16/08/18 exchange rate) | 84,986,534 Shares |

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6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:


| Name and ACN/ARSN (if applicable) | Nature of association |
|-----------------------------------|---|
| Black Mountain Metals LLC | Related body corporate of Black Mountain Metals Pty Ltd |
| | |

7. Addresses

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

| Name | Address |
|-------------------------------|--|
| Black Mountain Metals Pty Ltd | Level 9, 40 The Esplanade, Perth WA 6000 |
| Black Mountain Metals LLC | 420 Commerce Street, Suite 500, Fort Worth, TX 76102 |

Signature

| | | | |
|------------|---|----------|-------------|
| print name | Rhett Bennett | capacity | Director |
| sign here |  | date | 17 /08/2018 |

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.



Annexure A

This is Annexure A of 21 pages (not including this cover page) referred to in the Form 603 (Notice of Initial Substantial Holder) dated 17 August 2018 given by Black Mountain Metals Pty Ltd ACN 627 715 735.

A handwritten signature in black ink, appearing to read 'Rhett Bennett', written over a horizontal line.

Rhett Bennett
Director, Black Mountain Metals Pty Ltd

Date: 17 August 2018



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Agreement

Convertible note and share sale agreement

Black Mountain Metals Pty Ltd

Jefferies, LLC



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Schedule 1

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Convertible note and share sale agreement

Date ►

Between the parties

Buyer **Black Mountain Metals Pty Ltd** ACN 627 715 735 of Level 9, 40
The Esplanade, Perth, WA 6000.

Seller **Jefferies, LLC** of 520 Madison Avenue New York, NY 10022.

Recitals

- 1 The Seller owns and is entitled to the Sale Shares and the Convertible Note.
- 2 The Seller was considering participating in an entitlement offer by the Company but has notified the Company that it will not be participating in the offer.
- 3 The Seller has agreed to sell and the Buyer has agreed to buy the Sale Shares on the terms and conditions of this agreement.
- 4 The Seller has also agreed to transfer the Convertible Note and the Buyer has agreed to accept the transfer of the Convertible Note in accordance with the terms of this agreement.

The parties agree as follows:



1 Definitions, interpretation and agreement components

1.1 Definitions

The meanings of the terms used in this agreement are set out below.

| Term | Meaning |
|--|---|
| Business Day | a day on which banks are open for business in Perth, Australia, other than a Saturday, Sunday or public holiday in Perth, Australia. |
| Company | Poseidon Nickel Limited ACN 060 525 206. |
| Completion | completion of the sale and purchase of the Sale Shares under clause 2 and the transfer of the Convertible Note under clause 3. |
| Completion Date | the date 30 days from the date of this agreement. |
| Convertible Note | means the convertible note for the principal amount of USD\$17,500,000 issued by the Company to the Seller pursuant to the convertible note certificate dated 3 November 2015, together with the benefits, rights and entitlements attaching to the convertible note. |
| Convertible Note Purchase Price | ██████████ |
| Convertible Note Transfer Form | the transfer form in respect to the Convertible Note substantially in the form in Annexure A, or such other form as agreed between the parties. |
| Duty | any stamp, transaction or registration duty or similar charge levied, imposed, assessed or collected under any legislation or by any Government Agency and includes any interest, fine, penalty, charge, fee or other amount imposed in respect of the above. |
| Encumbrance | <p>an interest or power:</p> <ol style="list-style-type: none">reserved in or over an interest in any asset including any retention of title; orcreated or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power, <p>by way of security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes, but is not limited to, any agreement to grant or create any of the above.</p> |

| Term | Meaning |
|------------------------------------|---|
| Exchange Rate | the United States dollar to Australian dollar exchange rate notified on the Reserve Bank of Australia website on the date of this agreement. |
| Forbearance Deed | the forbearance deed between the Company and the Seller dated 23 March 2018 (as extended and amended) under which the Seller agreed to forbear certain rights under the Convertible Note. |
| Government Agency | any government or governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world. |
| GST | goods and services tax or similar value added tax levied or imposed in Australia under the GST Law or otherwise on a supply. |
| GST Act | the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth). |
| GST Law | has the same meaning as in the GST Act. |
| Immediately Available Funds | bank cheque or telegraphic or other electronic means of transfer of cleared funds into a bank account nominated in advance by the Seller. |
| Sale Shares | 84,986,534 Shares, including all rights, including dividend and voting rights, attached or accrued to them on or after the date of this agreement. |
| Sale Shares Transfer Form | the transfer form in respect to the Sale Shares substantially in the form in Annexure B, or such other form as agreed between the parties. |
| Share | means a fully paid ordinary share in the capital of the Company. |
| Share Purchase Price | USD\$3,678,047.22, being A\$0.06 per Sale Share multiplied by the Exchange Rate. |
| Tax Invoice | includes any document or record treated by the Commissioner of Taxation as a tax invoice or as a document entitling a recipient to an input tax credit. |
| USD | United States Dollar. |



1.2 Interpretation

In this agreement:

- (a) Headings and bold type are for convenience only and do not affect the interpretation of this agreement.
- (b) The singular includes the plural and the plural includes the singular.
- (c) Words of any gender include all genders.
- (d) Other parts of speech and grammatical forms of a word or phrase defined in this agreement have a corresponding meaning.
- (e) An expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual.
- (f) A reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this agreement.
- (g) A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.
- (h) If a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day.
- (i) A reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later.
- (j) If an act prescribed under this agreement to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day.
- (k) A reference to time is a reference to Perth, Australia time.
- (l) A reference to anything (including, any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to any one or more of them.
- (m) A document in the 'agreed form' means a document in the form approved by the Buyer and the Seller and initialled by a representative of each of them for the purposes of identification.
- (n) A reference to \$ is to Australian currency unless denominated otherwise.

1.3 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.4 Inclusive expressions

Specifying anything in this agreement after the words 'including', 'includes' or 'for example' or similar expressions does not limit what else is included unless there is express wording to the contrary.

1.5 Agreement components

This agreement includes any schedule.



2 Sale and purchase of Sale Shares

2.1 Sale Shares

The Seller agrees to sell, and the Buyer agrees to buy, the Sale Shares for the Share Purchase Price on the terms of this agreement and free and clear of all Encumbrances, on the Completion Date.

2.2 Title and risk

Title to and risk in the Sale Shares will pass to the Buyer on Completion.

3 Transfer of Convertible Note

3.1 Convertible Note

The Seller agrees to transfer, and the Buyer agrees to accept the transfer of, the Convertible Note for the Convertible Note Purchase Price on the terms of this agreement and free and clear of all Encumbrances, on the Completion Date.

3.2 Title and risk

Title to and risk in the Convertible Note will pass to the Buyer on Completion.

4 Completion

4.1 Time and Place

Completion must take place at the office of Herbert Smith Freehills at Level 36, 250 St Georges Terrace, Perth, or such other place as agreed between the parties at 12:00pm on the Completion Date.

4.2 Completion Steps

- (a) At Completion, the Seller must give the Buyer the following documents:
- (1) **(Convertible Note)** the convertible note certificate dated 3 November 2015 for the Convertible Note to be transferred to the Buyer under this agreement and any other documents necessary to establish the Buyer's title to the Convertible Note and that may be required for registration of the transfer of the Convertible Note in the name of the Buyer;
 - (2) **(share certificates)** share certificates (if issued) for the Sale Shares to be sold to the Buyer under this agreement and any other documents necessary to establish the Buyer's title to the Sale Shares and that may be required for registration of the transfer of the Sale Shares to the Buyer;



- (3) **(Sale Shares Transfer Form)** Sale Shares Transfer Form for the Sale Shares, executed by or on behalf of the Seller; and
 - (4) **(Convertible Note Transfer Form)** Convertible Note Transfer Form for the Convertible Note, executed by or on behalf of the Seller.
- (b) At Completion the Buyer must:
- (1) pay the Share Purchase Price to the Seller in Immediately Available Funds without counterclaim or set-off;
 - (2) pay the Convertible Note Purchase Price to the Seller in Immediately Available Funds without counterclaim or set-off;
 - (3) execute the Sale Shares Transfer Form; and
 - (4) execute the Convertible Note Transfer Form.
- (c) Completion is taken to have occurred when each party has performed all its obligations under this clause 4.2.

4.3 Post Completion

As soon as reasonably practicable following Completion the Buyer must lodge the Sale Shares Transfer Form and the Convertible Note Transfer Form with the Company and the Seller must use reasonable endeavours to do all things reasonably requested or necessary to assist with the registration of the Buyer as the holder of the Convertible Note and the Sale Shares.

4.4 Completion simultaneous

- (a) The actions to take place as contemplated by this clause 4 are interdependent and must take place, as nearly as possible, simultaneously. If one action does not take place, then without prejudice to any rights available to any party as a consequence:
- (1) there is no obligation on any party to undertake or perform any of the other actions; and
 - (2) to the extent that such actions have already been undertaken, the parties must do everything reasonably required to reverse those actions; and
 - (3) the Seller and the Buyer must each return to the other all documents delivered to it under this clause 4 and must each repay to the other all payments received by it under this clause 4, without prejudice to any other rights any party may have in respect of that failure.
- (b) The Buyer may, in its sole discretion, waive any or all of the actions that the Seller is required to perform under clause 4.2(a) and the Seller may, in its sole discretion, waive any or all of the actions that the Buyer is required to perform under clause 4.2(b).
- (c) For the avoidance of doubt, notwithstanding completion is to occur simultaneously, the consideration payable for the Sale Shares and the consideration payable for the Convertible Note are separate and distinct.



4.5 Conduct Pre Completion

During the period between the date of this agreement and Completion, except as expressly permitted under this agreement or with the consent of the Buyer to the Seller, the Seller:

- (a) must not exercise, waive, invoke or enforce any rights, benefits or voting rights pursuant to the Convertible Note or the Sale Shares, other than as directed by the Buyer;
- (b) must provide all notices, requests or other material received from the Company in connection with the Convertible Note or the Sale Shares to the Buyer immediately, or as soon as is practicable, after receipt; and
- (c) consents, and shall do all things reasonably necessary, to facilitate the Buyer exercising any rights under the Convertible Note or Sale Shares, including participation rights or voting rights, pursuant to directions from the Buyer to the Seller.

5 Warranties

5.1 Mutual warranties

The Buyer gives in favour of the Seller and the Seller gives in favour of the Buyer the following warranties on the date of this agreement and on each day between the date of this agreement and the Completion Date (including at Completion):

- (a) **(No legal impediment)** The execution, delivery and performance of this agreement:
 - (1) complies with its constitution or other constituent documents; and
 - (2) does not constitute a breach of any law or obligation, or cause or result in a default under any agreement, or Encumbrance, by which it is bound and which would prevent it from entering into and performing its obligations under this agreement.
- (b) **(Corporate Authorisations)** All necessary authorisations for the execution, delivery and performance of this agreement in accordance with its terms have been obtained or will be obtained before Completion.
- (c) **(Power and capacity)** Each party has full power and capacity to enter into and perform its obligations under this agreement.
- (d) **(Incorporation)** Each party is validly incorporated, organised and subsisting in accordance with the laws of its place of incorporation.
- (e) **(Enforceability)** Each parties' obligations under this agreement are enforceable in accordance with its terms.

5.2 Warranties by the Seller

The Seller gives the following warranties in favour of the Buyer on the date of this agreement and on each day between the date of this agreement and the Completion Date (including at Completion):

- (a) the Seller is the legal and beneficial owner of the Sale Shares and the Convertible Note;



- (b) the Buyer will acquire full legal and beneficial ownership of the Sale Shares free and clear of all Encumbrances, subject to registration of the Buyer in the Company's register of shareholders;
- (c) the Buyer will acquire full legal and beneficial ownership of the Convertible Note free and clear of all Encumbrances, subject to registration of the Buyer in the Company's register of convertible note holders; and
- (d) other than in relation to the Forbearance Deed, the Seller has not waived any rights under the Convertible Note or the Sale Shares regarding future capital raisings of the Company announced on or after the date of this agreement.

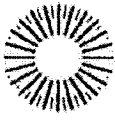
5.3 Independent warranties

Each of the warranties in clauses 5.1 and 5.2 is to be construed independently of the others and is not limited by reference to any other warranty.

5.4 Buyer acknowledgements

The Buyer acknowledges that:

- (a) the Seller has disclosed or is deemed to have disclosed (as applicable) against the warranties, and the Buyer is aware of, will be treated as having actual knowledge of, all facts, matters and circumstances that are expressly provided for or contained in this agreement (including the Recitals);
- (b) the warranties given by the Seller are subject to the disclosures or deemed disclosures in clause 5.4(a) and it must not make a claim for breach of a warranty, and the Seller will not be in breach of a warranty, if the facts, matters or circumstances giving rise to such claim are disclosed or are deemed to have been disclosed under clause 5.4(a);
- (c) the Sale Shares and the Convertible Note are being transferred on an 'as is, where is' basis, and therefore no warranties are given in relation to their value, assignability or the enforceability of any rights subsisting in relation to it;
- (d) the Seller specifically told the Buyer that it must make its own enquiries and satisfy itself in all respects and that it cannot rely on information provided to it by the Seller or his agents, advisors, directors, officers, partners, employees or other representatives (as applicable) in connection with the Company, the Sale Shares, the Convertible Note, this agreement or the transactions contemplated by it;
- (e) in entering into this agreement, the Buyer does not rely on any knowledge, information, statements, inducements, representations, warranties or other communications of the Seller or the agents, advisors, directors, officers, partners, employees or other representatives (as applicable) of the Seller and that it relies exclusively on the following matters:
 - (1) the Buyer's own knowledge and investigations relating to the Company, the Sale Shares, the Convertible Note and the transactions contemplated by this agreement;
 - (2) the Buyer's own skill and judgment and or that of its consultants and representatives; and
 - (3) the opinions or advice obtained by the Buyer independently of the Seller or the agents, advisors, directors, officers, partners, employees or other representatives (as applicable) of the Seller.



6 Costs and expenses

6.1 Duty

The Buyer must pay all Duty in respect of the execution, delivery and performance of this agreement and any agreement or document entered into or signed under this agreement.

6.2 Costs and expenses

- (a) Unless otherwise provided for in this agreement, each party must pay its own costs and expenses in respect of the negotiation, preparation, execution, delivery and registration of this agreement and any other agreement or document entered into or signed under this agreement.
- (b) Any action to be taken by the Buyer or the Seller in performing its obligations under this agreement must be taken at its own cost and expense unless otherwise provided in this agreement.

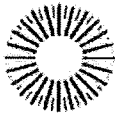
7 GST

7.1 Definitions

Words used in this clause 7 that have a defined meaning in the GST Law have the same meaning as in the GST Law unless the context indicates otherwise.

7.2 GST

- (a) Unless expressly included, the consideration for any supply under or in connection with this agreement does not include GST.
- (b) To the extent that any supply made under or in connection with this agreement is a taxable supply (other than any supply made under another agreement that contains a specific provision dealing with GST), the recipient must pay, in addition to the consideration provided under this agreement for that supply (unless it expressly includes GST) an amount (additional amount) equal to the amount of that consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply. The recipient must pay the additional amount at the same time as the consideration to which it is referable.
- (c) Whenever an adjustment event occurs in relation to any taxable supply to which clause 7.2(b) applies:
 - (1) the supplier must determine the amount of the GST component of the consideration payable; and
 - (2) if the GST component of that consideration differs from the amount previously paid, the amount of the difference must be paid by, refunded to or credited to the recipient, as applicable.



7.3 Tax invoices

The supplier must issue a Tax Invoice to the recipient of a supply to which clause 7.2 applies no later than 7 days following payment of the GST inclusive consideration for that supply under that clause.

7.4 Reimbursements

If either party is entitled under this agreement to be reimbursed or indemnified by the other party for a cost or expense incurred in connection with this agreement, the reimbursement or indemnity payment must not include any GST component of the cost or expense to the extent that the cost or expense is the consideration for a creditable acquisition made by the party being reimbursed or indemnified, or by its representative member.

8 Notices

8.1 Form of Notice

A notice or other communication to a party under this agreement (**Notice**) must be:

- (a) In writing and in English and signed by or on behalf of the sending party; and
- (b) addressed to that party in accordance with the details nominated in Schedule 1 (or any alternative details nominated to the sending party by Notice).

8.2 How Notice must be given and when Notice is received

- (a) A Notice must be given by one of the methods set out in the table below.
- (b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day (**business hours period**), then the Notice will instead be regarded as given and received at the start of the following business hours period.

| Method of giving Notice | When Notice is regarded as given and received |
|---|---|
| By hand to the nominated address | When delivered to the nominated address |
| By pre-paid post to the nominated address | At 9.00am (addressee's time) on the second Business Day after the date of posting |
| By email to the nominated email address | When the email (including any attachment) comes to the attention of the recipient party or a person acting on its behalf. |



8.3 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than fax and email as permitted in clause 8.2).

9 Confidentiality

Each party (**recipient**) must keep secret and confidential, and must not divulge or disclose any information relating to this agreement other than to the extent that:

- (a) the information is in the public domain as at the date of this agreement (or subsequently becomes in the public domain other than by breach of any obligation of confidentiality binding on the recipient);
- (b) the disclosure is required by law in Australia or elsewhere;
- (c) the disclosure is required for use in legal proceedings regarding this agreement or the Sale; or
- (d) the parties agree otherwise.

10 General

10.1 Governing law and jurisdiction

- (a) This agreement is governed by the law in force in Western Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this agreement. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

10.2 Further action to be taken at each party's own expense

Subject to clause 6, each party must, at its own expense, do all things and execute all documents necessary to give full effect to this agreement and the transactions contemplated by it.

10.3 Exercise of rights

- (a) Unless expressly required by the terms of this agreement, a party is not required to act reasonably in giving or withholding any consent or approval or exercising any other right, power, authority, discretion or remedy, under or in connection with this agreement.
- (b) A party may (without any requirement to act reasonably) impose conditions on the grant by it of any consent or approval, or any waiver of any right, power, authority, discretion or remedy, under or in connection with this agreement. Any conditions must be complied with by the party relying on the consent, approval or waiver.



10.4 Waiver

- (a) No party to this agreement may rely on the words or conduct of any other party as a waiver of any right unless the waiver is in writing and signed by the party granting the waiver.
- (b) In this clause 10.4:
 - (1) **conduct** includes delay in the exercise of a right;
 - (2) **right** means any right arising under or in connection with this agreement and includes the right to rely on this clause; and
 - (3) **waiver** includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

10.5 Variation

A variation of any term of this agreement must be in writing and signed by the parties.

10.6 Assignment

- (a) Rights arising out of or under this agreement are not assignable by a party without the prior written consent of the other party.
- (b) A breach of clause 10.6(a) by a party entitles the other party to terminate this agreement.
- (c) Clause 10.6(b) does not affect the construction of any other part of this agreement.

10.7 Counterparts

This agreement may be executed in any number of counterparts.

10.8 Invalidity and enforceability

- (a) If any provision of this agreement is invalid under the law of any jurisdiction the provision is enforceable in that jurisdiction to the extent that it is not invalid, whether it is in severable terms or not.
- (b) Clause 10.8(a) does not apply where enforcement of the provision of this agreement in accordance with clause 10.8(a) would materially affect the nature or effect of the parties' obligations under this agreement.

10.9 Entire Agreement

This agreement states all the express terms of the agreement between the parties in respect of its subject matter. It supersedes all prior discussions, negotiations, understandings and agreements in respect of its subject matter.



HERBERT
SMITH
FREEHILLS

Schedule 1

Notice details

Seller

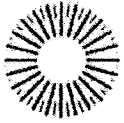
Address: 520 Madison Avenue New York, NY
10022



Buyer

Address: Level 9, 40 The Esplanade, Perth,
WA 6000

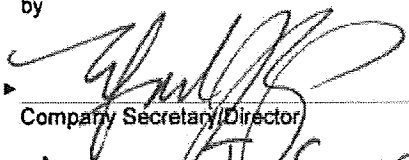


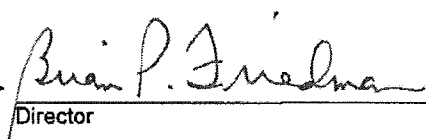


Executed as an agreement

Seller


Signed by
Jefferies LLC
by

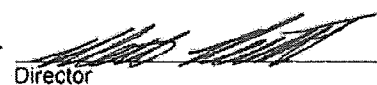
sign here ▶ 
Company Secretary/Director
print name MICHAEL J. SHARP

sign here ▶ 
Director
print name _____

Buyer

Signed by
Black Mountain Metals Pty Ltd
by

sign here ▶ 
Company Secretary/Director
print name Ashley Zumwalt

sign here ▶ 
Director
print name Rhet Bennett





HERBERT
SMITH
FREEHILLS

Annexure A – Convertible Note Transfer Form

MS

TRANSFER FORM FOR NON-MARKET TRANSACTIONS

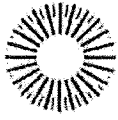
| | | |
|----|---|---|
| | | 1 Stamp Duty if applicable |
| 2 | Full name of Company or Corporation | Poseidon Nickel Limited ACN 060 525 206 State of Incorporation WA |
| 4 | Description of Securities | Convertible note for the principal amount of US\$17,500,000 issued by the Company to the Transferor pursuant to the convertible note certificate dated 3 November 2015. Register: Convertible note |
| 6 | Quantity | Words: One Figures: 1 |
| 7 | Full name of Transferor (Seller) | Jefferies, LLC For Company Use |
| 9 | Consideration | 10 Date of Purchase: / / |
| 11 | Full name of Transferee (Buyer) | Black Mountain Metals Pty Ltd |
| 12 | Full postal address of Transferee (Buyer) | Level 9, 40 The Esplanade, Perth State/Country: WA, Australia Postcode: 6000 |

We the registered holder and undersigned seller for the above consideration do hereby transfer to the above name hereinafter called the Buyer the convertible note as specified above (**Convertible Note**) standing in our name in the books of the above named Company, subject to the several conditions on which we held the same at the time of signing hereof and we the Buyer do hereby agree to accept the said securities subject to the same conditions. To sign as power of attorney you must have already lodged it with the registry or your broker as appropriate or enclose a certified copy with this transfer.

| | | | |
|-------------------------------------|--|----------------------------|--------------------------------------|
| 14 Transferor (Seller) sign here | Individual or Securityholder 1 | Securityholder 2 | Securityholder 3 |
| | | | |
| | Director or Sole Director and Sole Company Secretary | Director/Company Secretary | Sole Director (No Company Secretary) |
| | 15 Day / Month / Year | | |

| | | | |
|------------------------------------|--|----------------------------|--------------------------------------|
| 16 Transferee (Buyer) sign here | Individual or Securityholder 1 | Securityholder 2 | Securityholder 3 |
| | | | |
| | Director or Sole Director and Sole Company Secretary | Director/Company Secretary | Sole Director (No Company Secretary) |
| | Day / Month / Year | | |

2015



HERBERT
SMITH
FREEHILLS


Annexure B – Sale Shares Transfer Form

TRANSFER FORM FOR NON-MARKET TRANSACTIONS

| | | |
|----|---|--|
| | | 1 Stamp Duty if applicable |
| 2 | Full name of Company or Corporation | Poseidon Nickel Limited ACN 060 525 206 |
| 3 | | State of Incorporation WA |
| 4 | Description of Securities | Class ORD shares If not fully paid, paid to |
| 5 | | Register ORD shares |
| 6 | Quantity | Words Eighty four million nine hundred and eighty six five hundred and thirty four thousand Figures 84,986,534 |
| 7 | Full name of Transferor (Seller) | Jefferies, LLC |
| 8 | Securityholder Reference Number (must be quoted) | SRN : _____ |
| 9 | Consideration | AUD\$0.06 per share (equal to USD\$3,678,047.22) |
| 10 | | Date of Purchase / / |
| 11 | Full name of Transferee (Buyer) | Black Mountain Metals Pty Ltd |
| 12 | Full postal address of Transferee (Buyer) | Level 9, 40 The Esplanade, Perth State/Country WA, Australia Postcode 6000 |
| 13 | Transferee (Buyer) Securityholder Reference Number (if known) | SRN : _____ |

We the registered holder and undersigned seller for the above consideration do hereby transfer to the above name hereinafter called the Buyer the securities as specified above (Shares) standing in our name in the books of the above named Company, subject to the several conditions on which we held the same at the time of signing hereof and We the Buyer do hereby agree to accept the said securities subject to the same conditions. To sign as power of attorney you must have already lodged it with the registry or your broker as appropriate or enclose a certified copy with this transfer.

| | | | |
|-------------------------------------|--|----------------------------|--------------------------------------|
| 14 Transferor (Seller) sign here | Individual or Securityholder 1 | Securityholder 2 | Securityholder 3 |
| | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| | Director or Sole Director and Sole Company Secretary | Director/Company Secretary | Sole Director (No Company Secretary) |
| | 15 Day Month Year / / | | |

| | | | |
|------------------------------------|---|----------------------------|--------------------------------------|
| 16 Transferee (Buyer) sign here | Individual or Securityholder 1 | Securityholder 2 | Securityholder 3 |
| |  | <input type="text"/> | <input type="text"/> |
| | Director or Sole Director and Sole Company Secretary | Director/Company Secretary | Sole Director (No Company Secretary) |
| | Day Month Y / / | | |

JB