



The Windarra Nickel Project

The Australian Nickel Conference - Perth
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POSEIDONNICKEL

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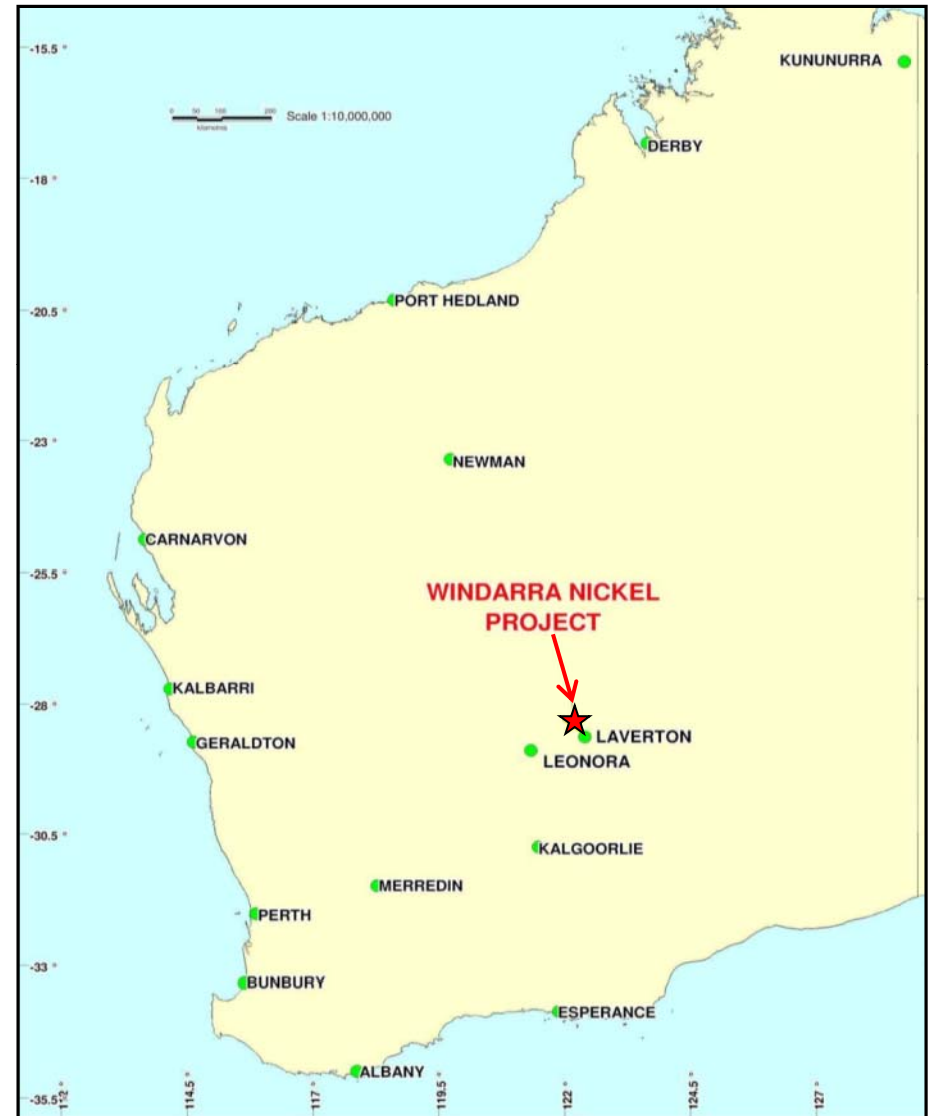
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Poseidon Rising

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- Re-commission Windarra
- Develop Cerberus
- Maintain Discovery Momentum



Poseidon Rising

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- Key features
 - Low execution risk: Experienced management team
 - Low market risk: Strong demand and price outlook
 - Low resource risk: JORC resource and significant scope to expand
 - Low development risk: Existing proven mines with existing infrastructure
 - Low opex risk: Known operating environment and cost
 - Significant resource upside



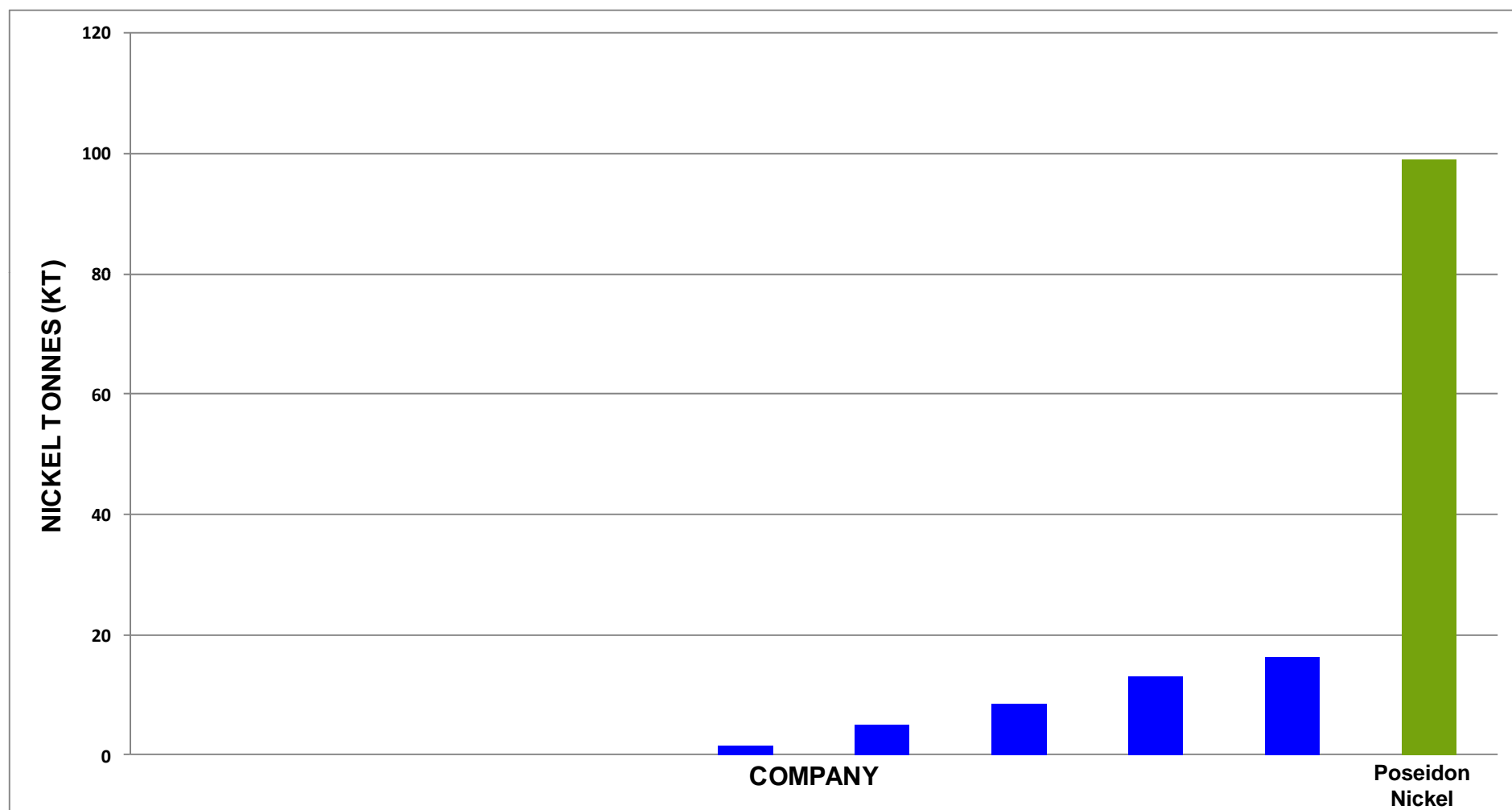
Windarra Rises

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- Significant JORC resource base
 - Main mine expansion: 61,000 tonnes nickel
 - Cerberus: 25,000 tonnes nickel
 - South Windarra: 10,000 tonnes nickel

Largest Undeveloped Nickel Sulphide Resource in Australia

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**includes only listed companies classed as nickel developers or explorers with average grades over 0.5% Ni sulphide. Producers excluded. List maybe incomplete.*

Windarra Rises

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- Significant JORC resource base
 - Main mine expansion: 61,000 tonnes nickel
 - Cerberus: 25,000 tonnes nickel
 - South Windarra: 10,000 tonnes nickel
- 7 year mine life initially and scope for considerable extension
- First concentrate in 24 months
- Low cash cost of circa US\$3.20/lb at full output
- Low initial capex of \$55m through existing infrastructure and low cost concentrator facility
- Offtake & working capital offer

Significant JORC Resource Now

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WINDARRA NICKEL PROJECT: SULPHIDE RESOURCE STATEMENT

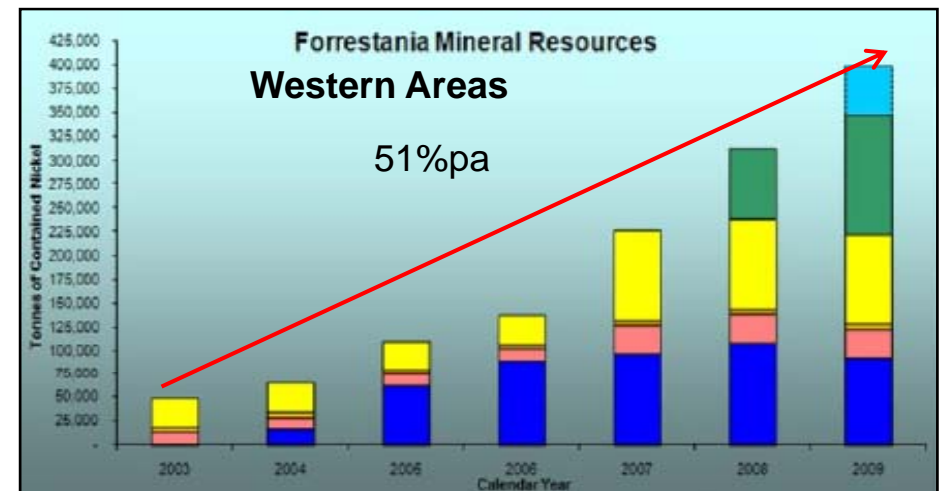
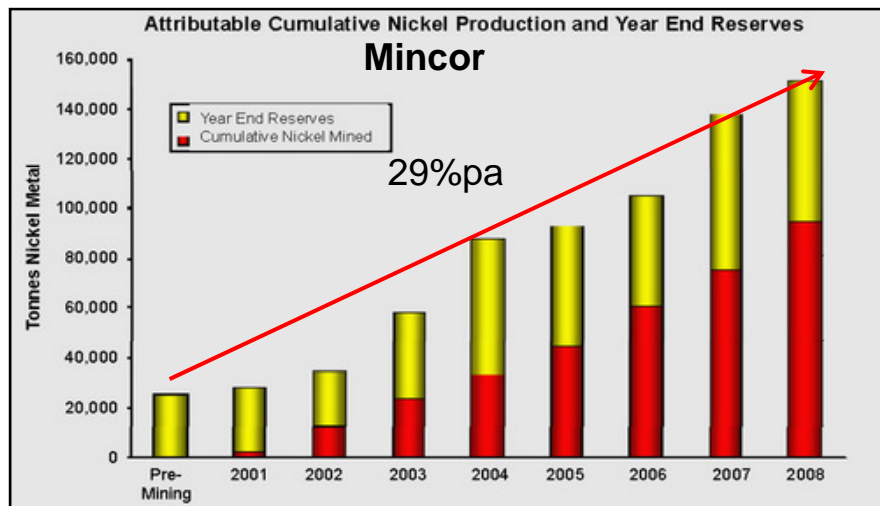
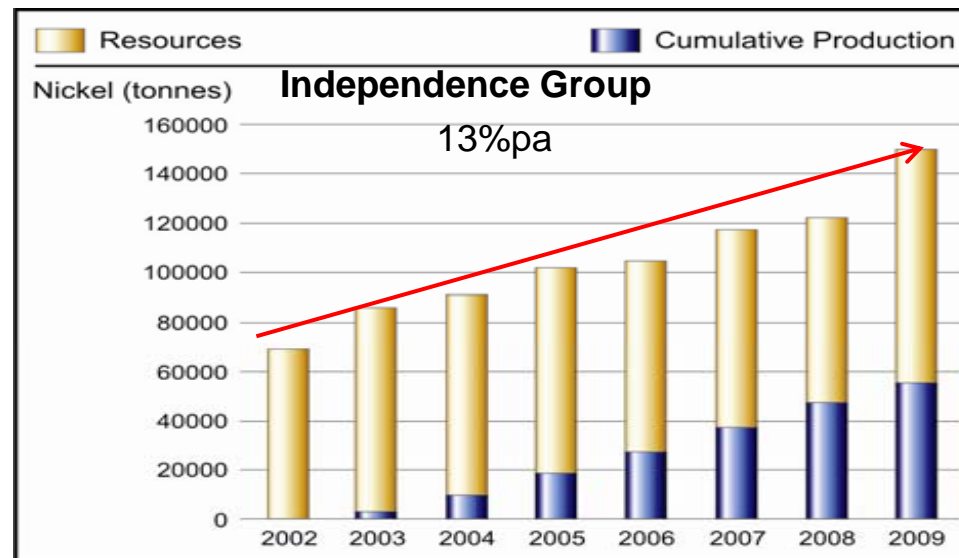
	Cut Off Grade	Resource Category								
		Indicated			Inferred			TOTAL		
		Tonnes	Ni% Grade	Ni Metal t	Tonnes	Ni% Grade	Ni Metal t	Tonnes	Ni% Grade	Ni Metal t
Mt Windarra	0.75%	1,017,429	1.24	12,578	2,751,087	1.79	49,185	3,768,516	1.64	61,764
Sth Windarra	0.90%	820,326	1.15	9,434	82,404	1.05	864	902,730	1.14	10,298
Cerberus	1.50%				1,033,328	2.45	25,269	1,033,328	2.45	25,269
Total		1,837,755	1.20	22,012	3,866,819	1.95	75,318	5,704,574	1.71	97,331

In addition 577,694 tonnes @ 1.06%Ni for 6,115 tonnes nickel metal in oxide

Note: The information in this Presentation relates to Exploration Results and Mineral Resources based on information compiled by Mr N Hutchison who is a Member of The Australian Institute of Geoscientists. Mr Hutchison has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' He has consented to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

Initial Resource base is comparable with successful Australian start ups

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Ready To Go

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- Key Infrastructure in place
- Key licences and approvals in place – State Agreement
- Decline and vertical shaft ore lift gear partially refurbished
- Mining equipment on site to complete refurbishment and commence operations
- Underground refurbishment will take 9-12 months to complete



Airstrip re-commissioned August 2010

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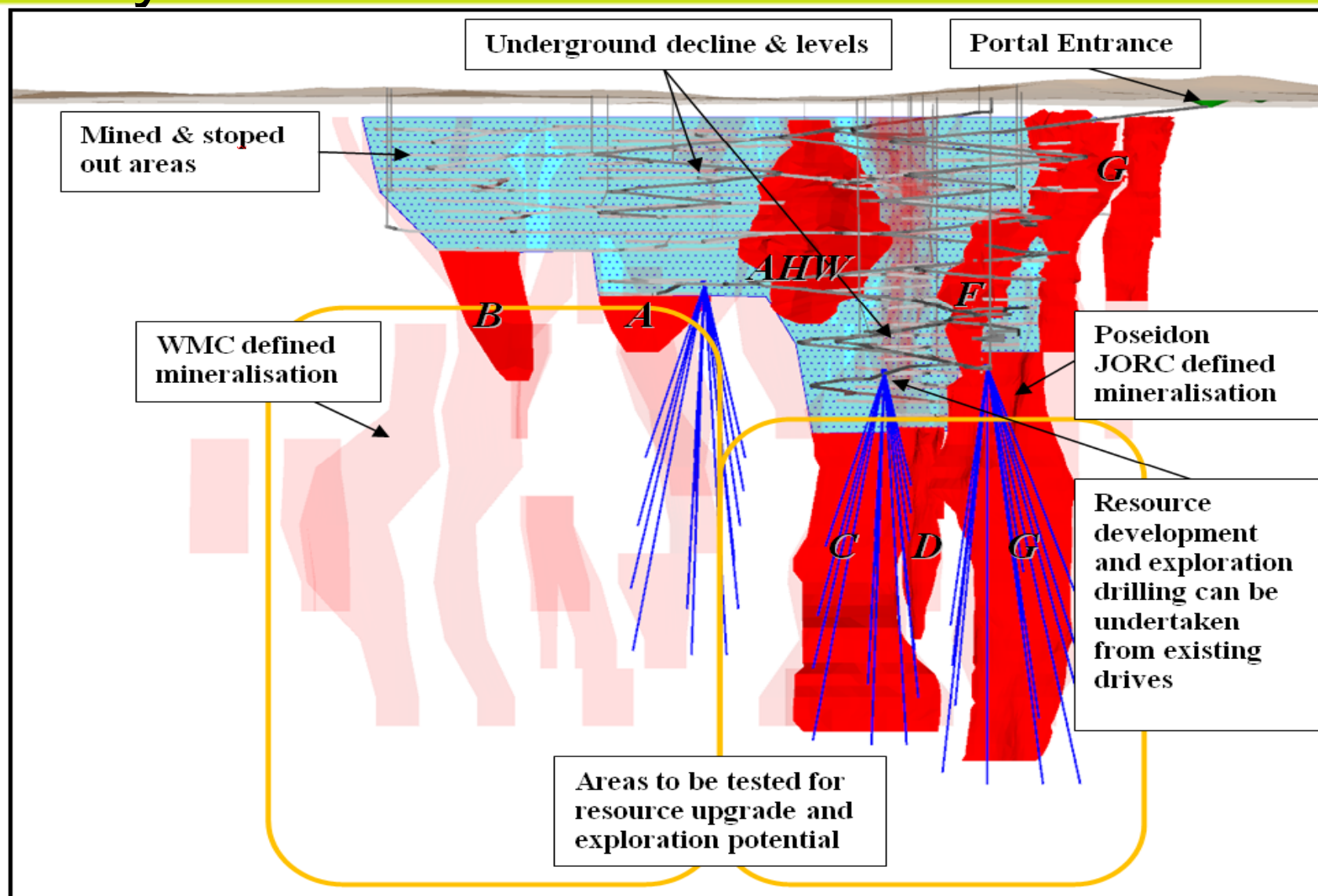
Mining Equipment on Site

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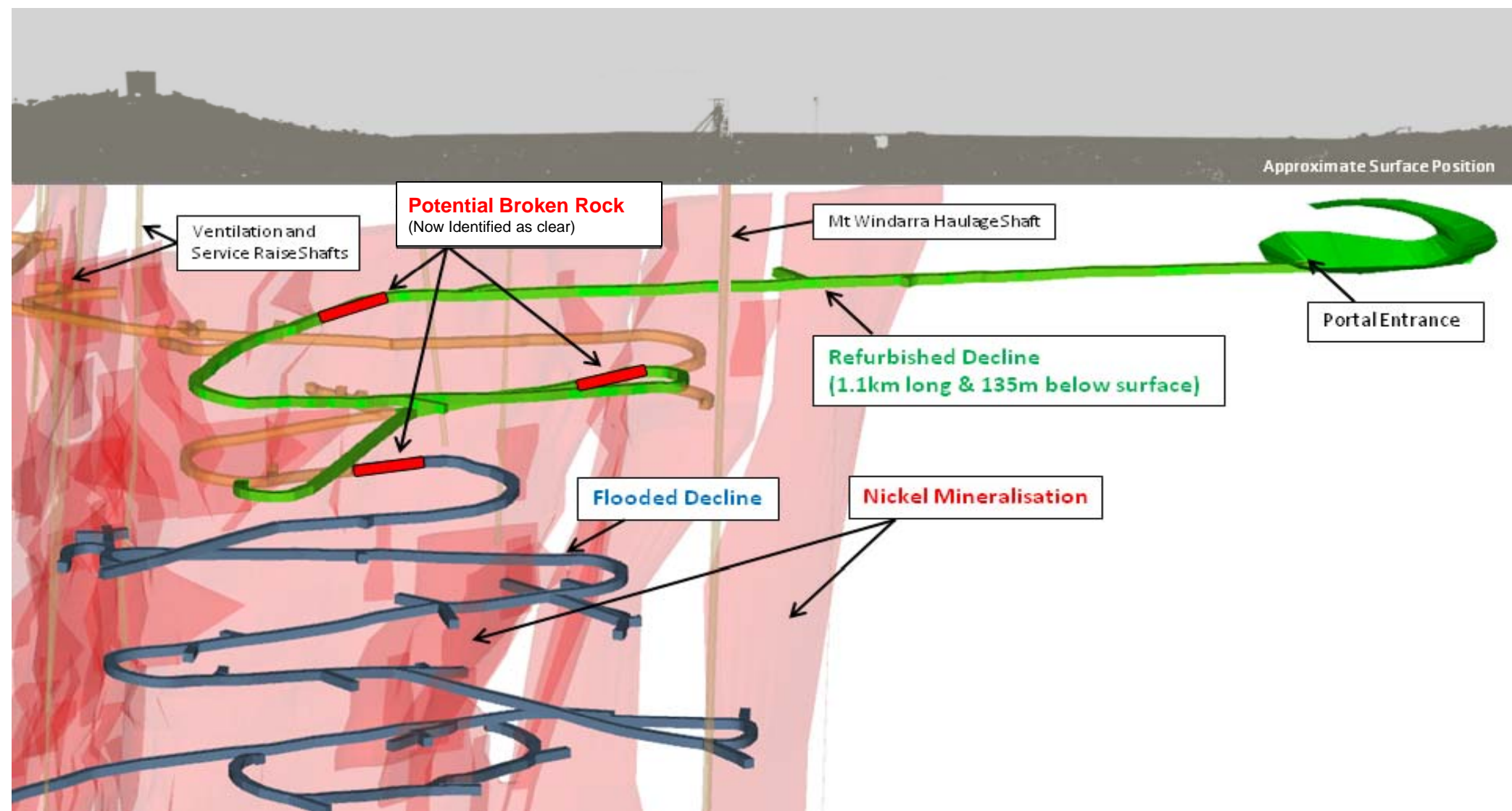
Mt Windarra mined to 550m with ore body continuity to at least 900m

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Refurbishment to Date Shows Viability

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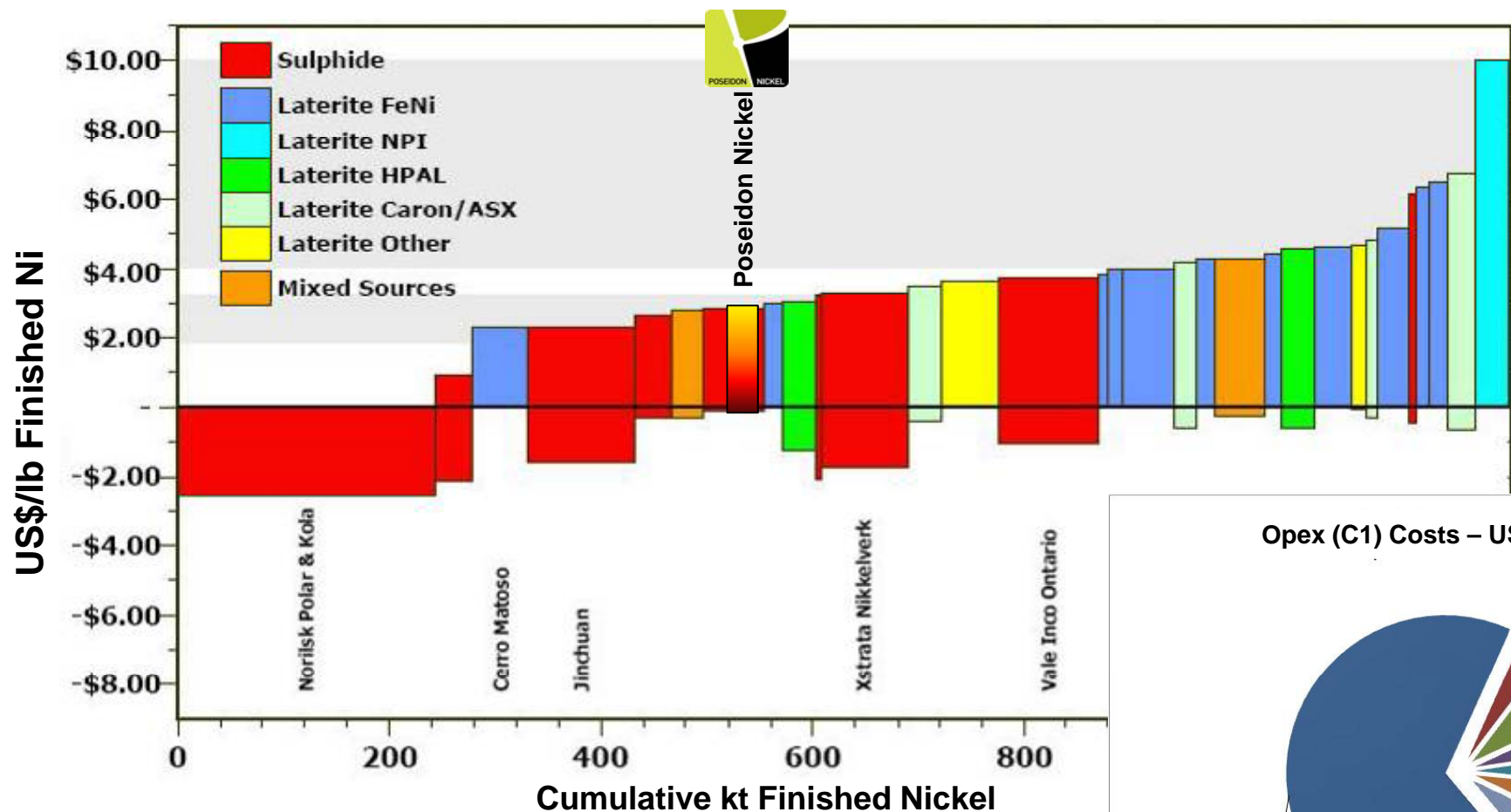
New Build Concentrator

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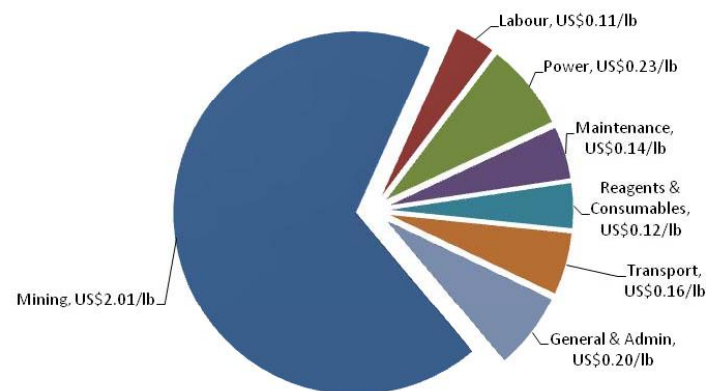
- Option of an asset backed debt financing for the concentrator plant
- Initial stage 350,000 tonnes capacity
 - US\$30m
- Capacity expansion to 700,000 tonne
- Plant low risk & well understood

Low Cash Cost Producer – US\$3.20/lb

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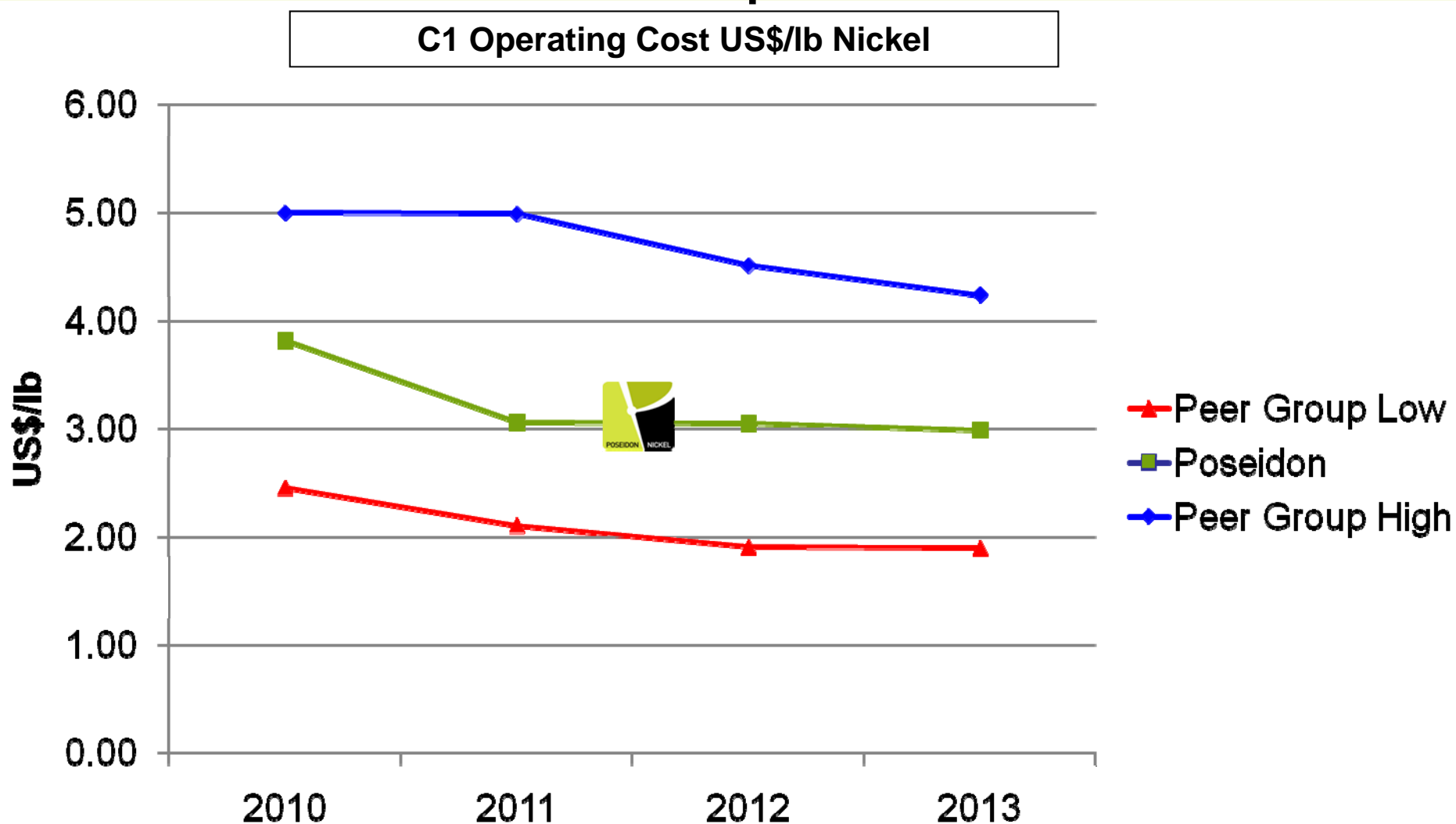
Opex (C1) Costs – US\$3.20/lb



**based on full output. See assumptions book not in presentation
Cash cost is average over life of project*

Poseidon's Operating Cost relates well to its Australian Peer Group

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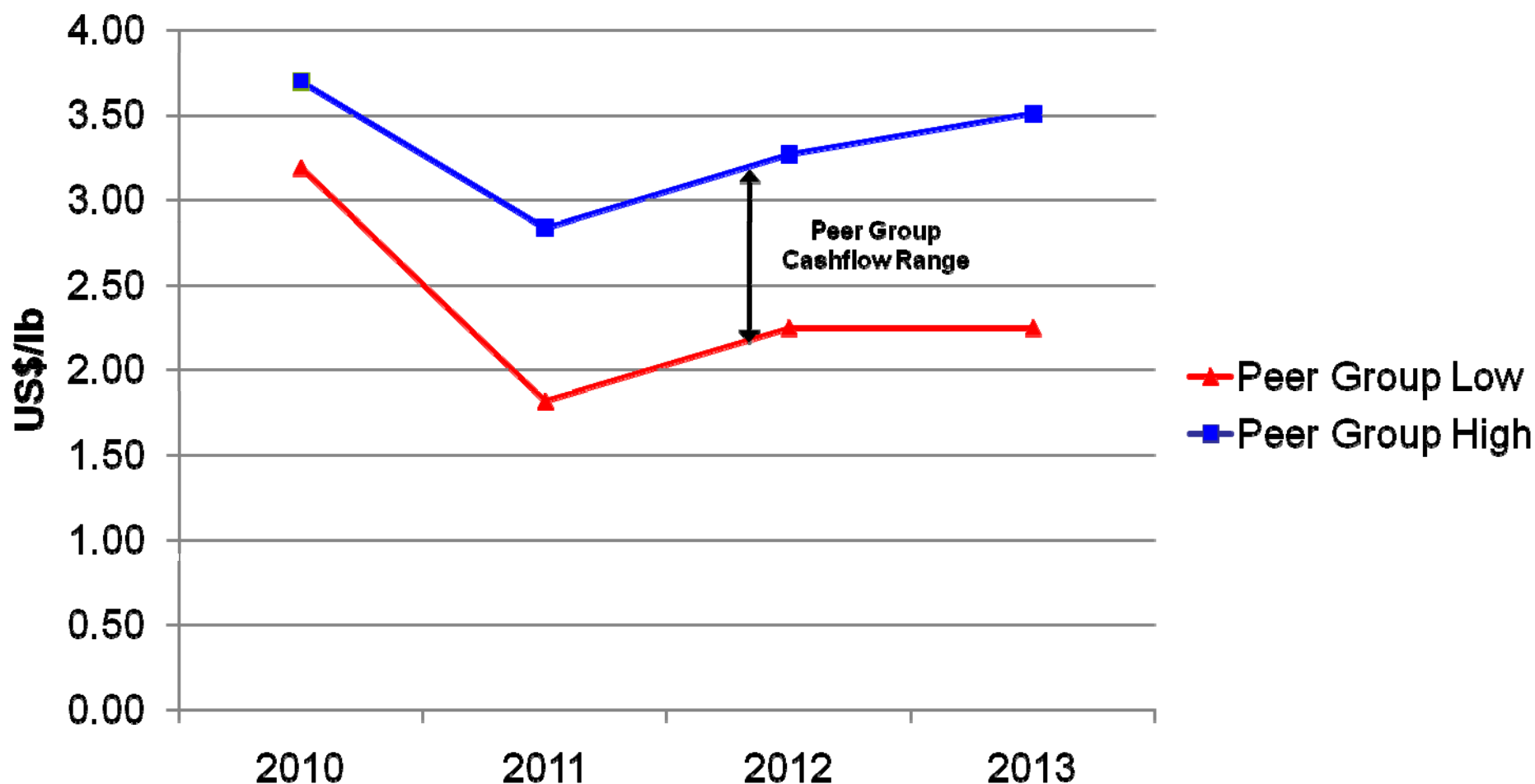


Data Source: RBC Capital Markets August 2010

Peer Group indicates likely Poseidon cashflow range

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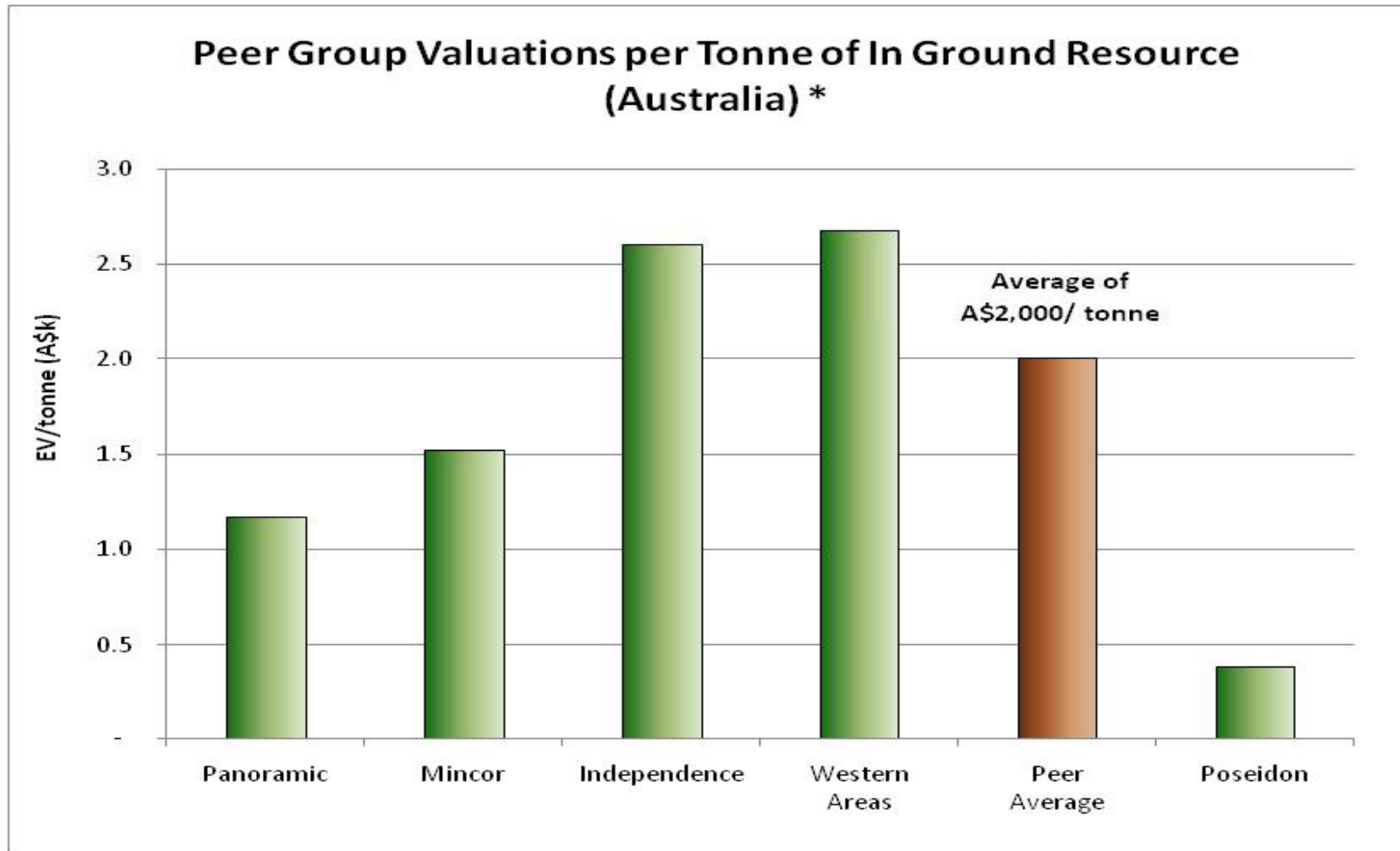
Operating cashflow per/lb in concentrate (US\$/lb)



Data Source: RBC Capital Markets August 2010

Trading at 20% of its Nickel producer Peer Group

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Assumptions

- Utilises average Peer group EV / tonne of in-ground resource of A\$2,000 / tonne

*Data Source: RBC Capital Markets – Australian Nickel Sector Comps (June 2010)

**POS estimated share price based on an undiluted number of shares

Work Required to Progress Project

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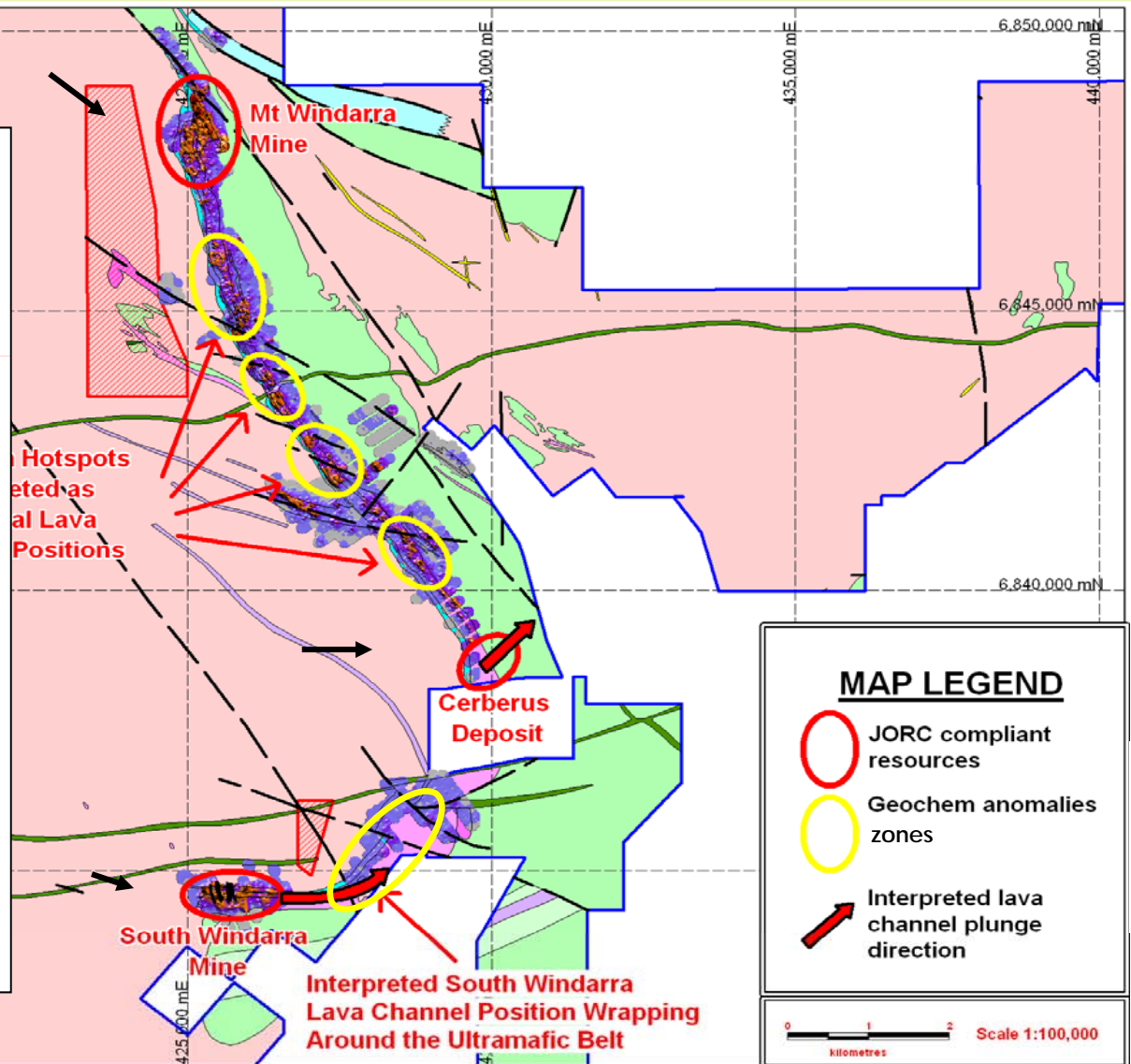


	<u>Cost</u> <u>US\$m</u>	<u>Time</u> <u>(months)</u>
▪ Complete de-water & refurbishment of Mt Windarra nickel mine	8	10
▪ Drill Mt Windarra, Cerberus and South Windarra to increase resources and reserves	7	12
▪ Complete Full Feasibility Study	3	4
▪ Construct facility concentrator	27	12-18
▪ Restart working capital & other costs	10	6
<u>TOTAL</u>	55m	18-24

Low Resource Risk

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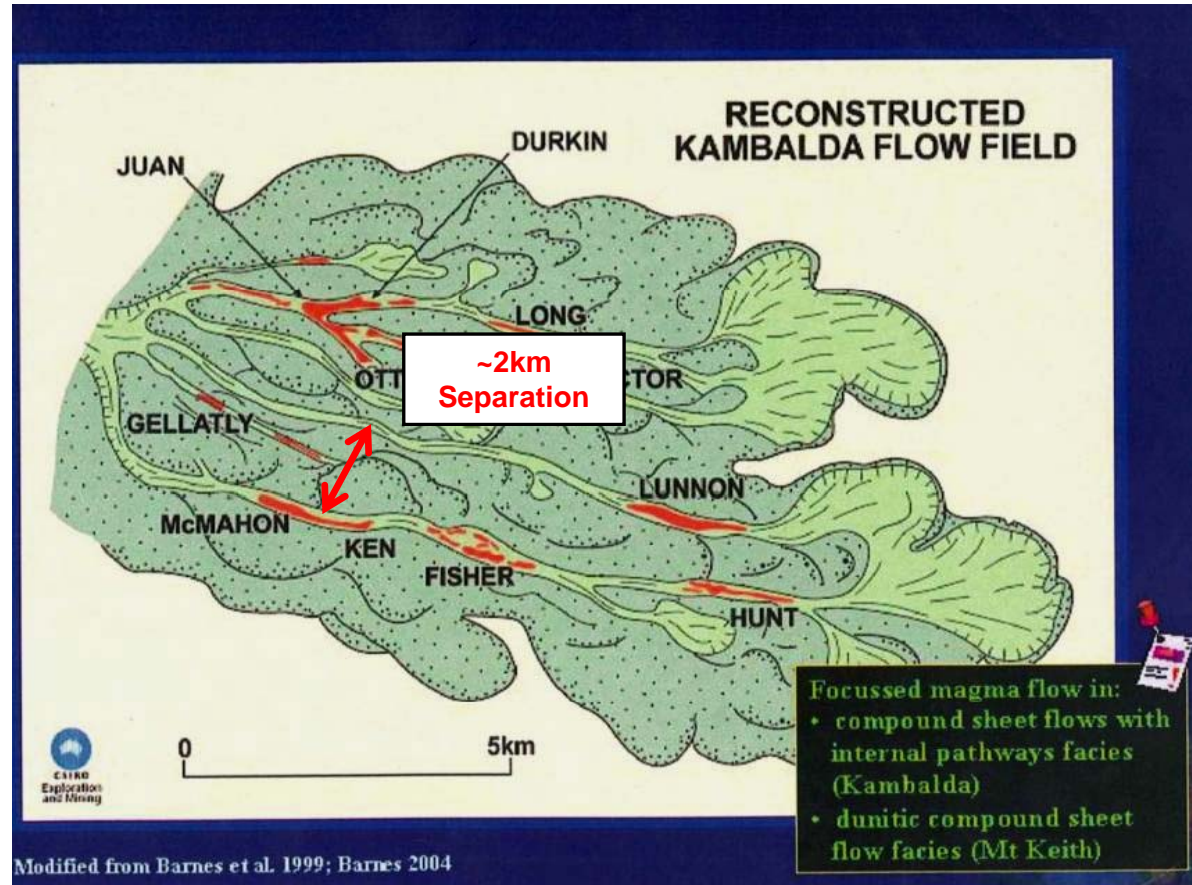
- 24km strike length
- 2 long life mines at northern & southern ends
- 100,00 tonne Nickel Resource
- New high grade discovery at Cerberus
- 7 anomalous lava channels recently discovered



WNP Tenements have Significant Exploration Potential

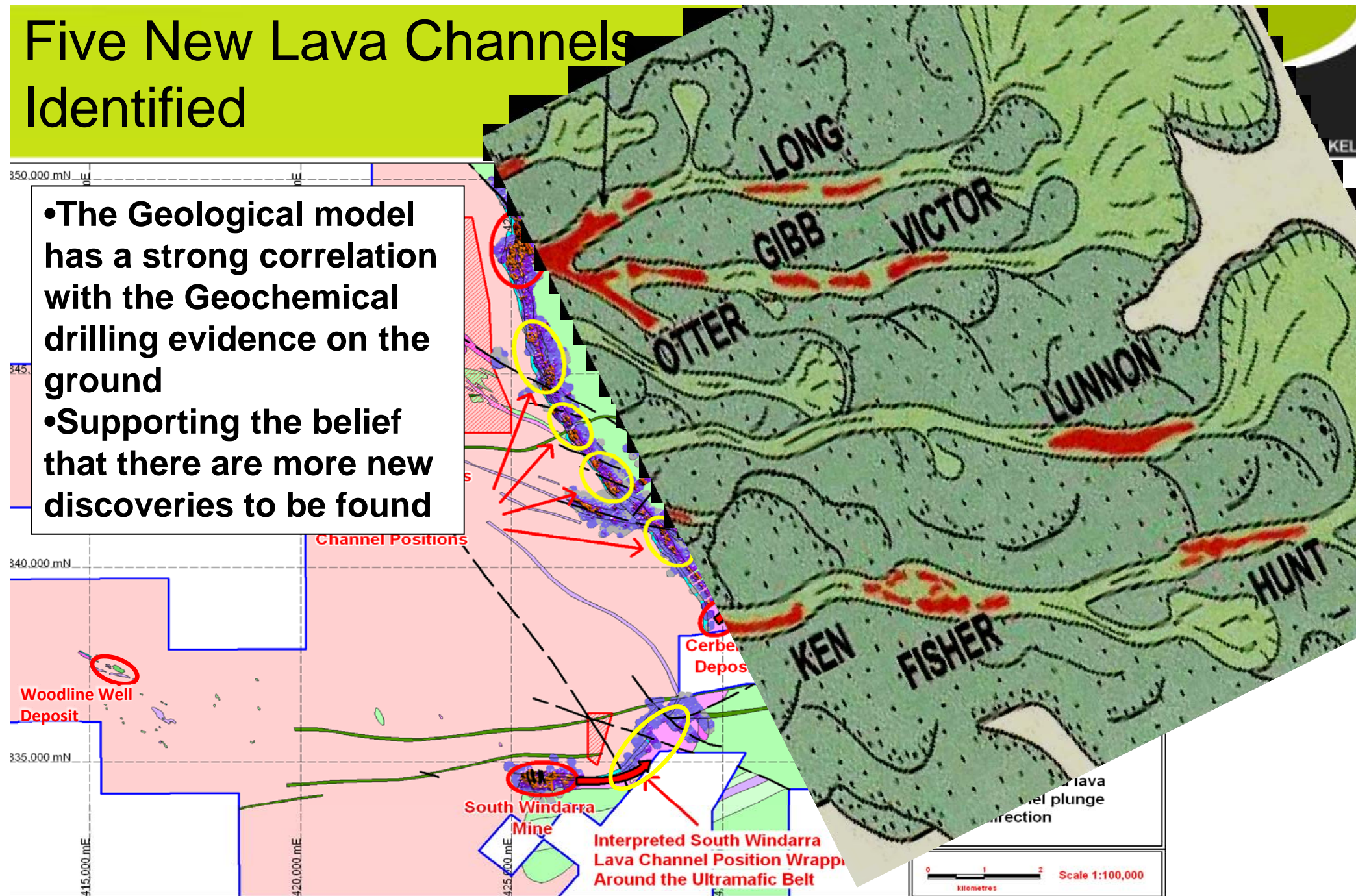
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- Recognition of Lava Channels is the key to success
- Of 2 anomalous zones drilled both have intersected high grade nickel. 1 is likely to be economic (Cerberus)
- Poseidon are confident that more blind deposits are yet to be discovered



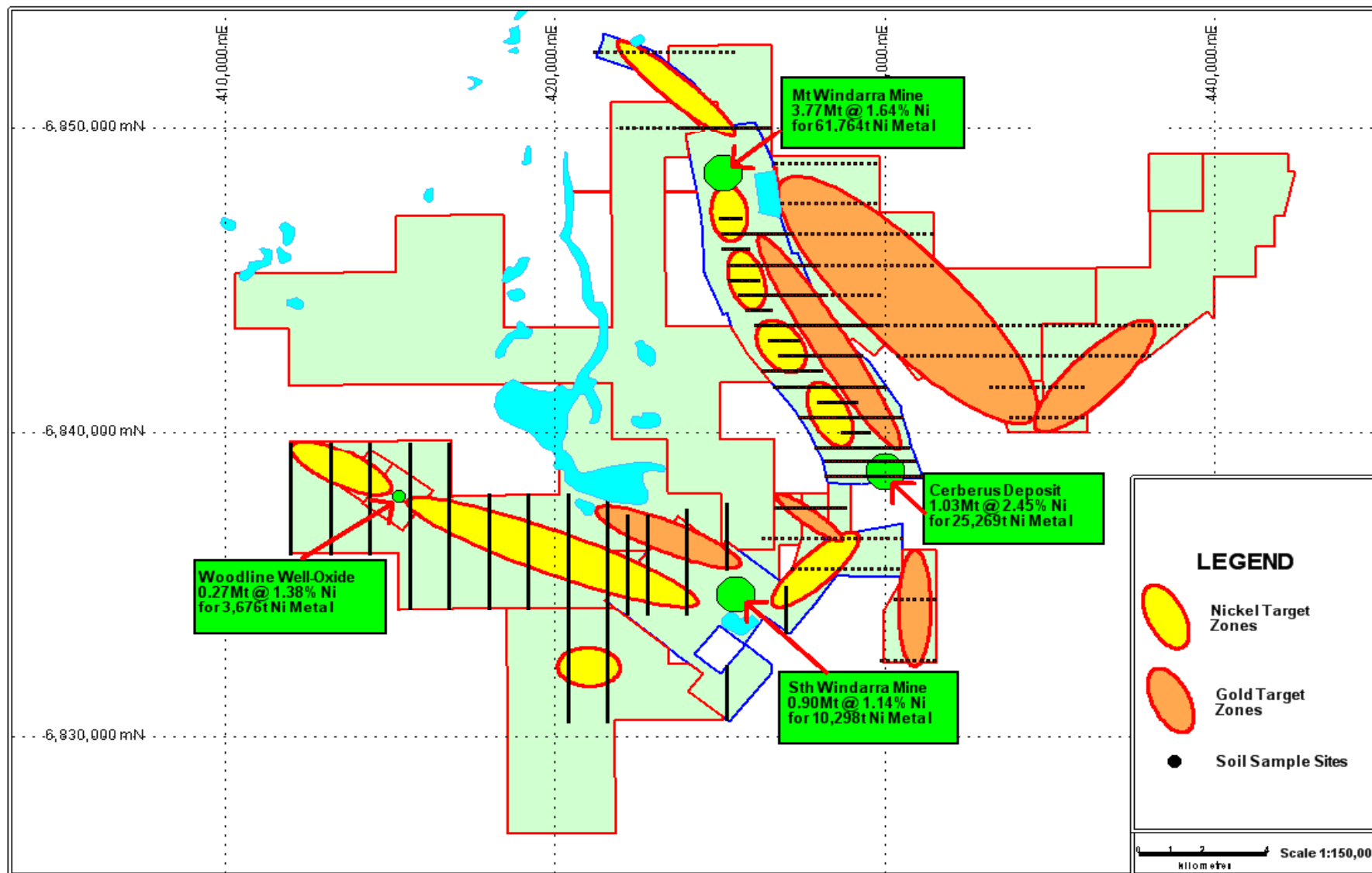
Five New Lava Channels Identified

- The Geological model has a strong correlation with the Geochemical drilling evidence on the ground
- Supporting the belief that there are more new discoveries to be found



Geochemical Signature identified 7 target zones

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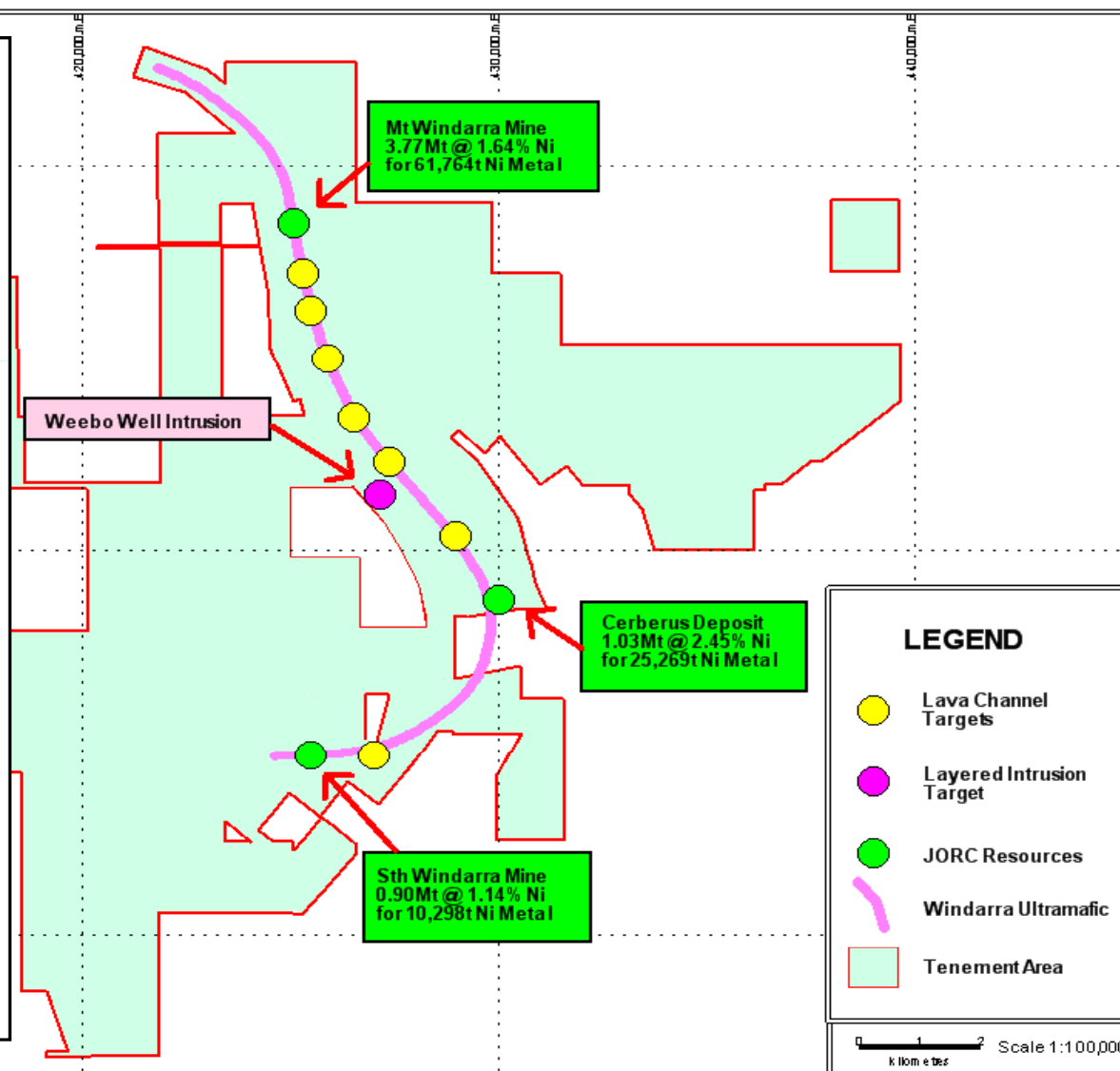
Two Mines, One Discovery and Seven Nickel Prospects

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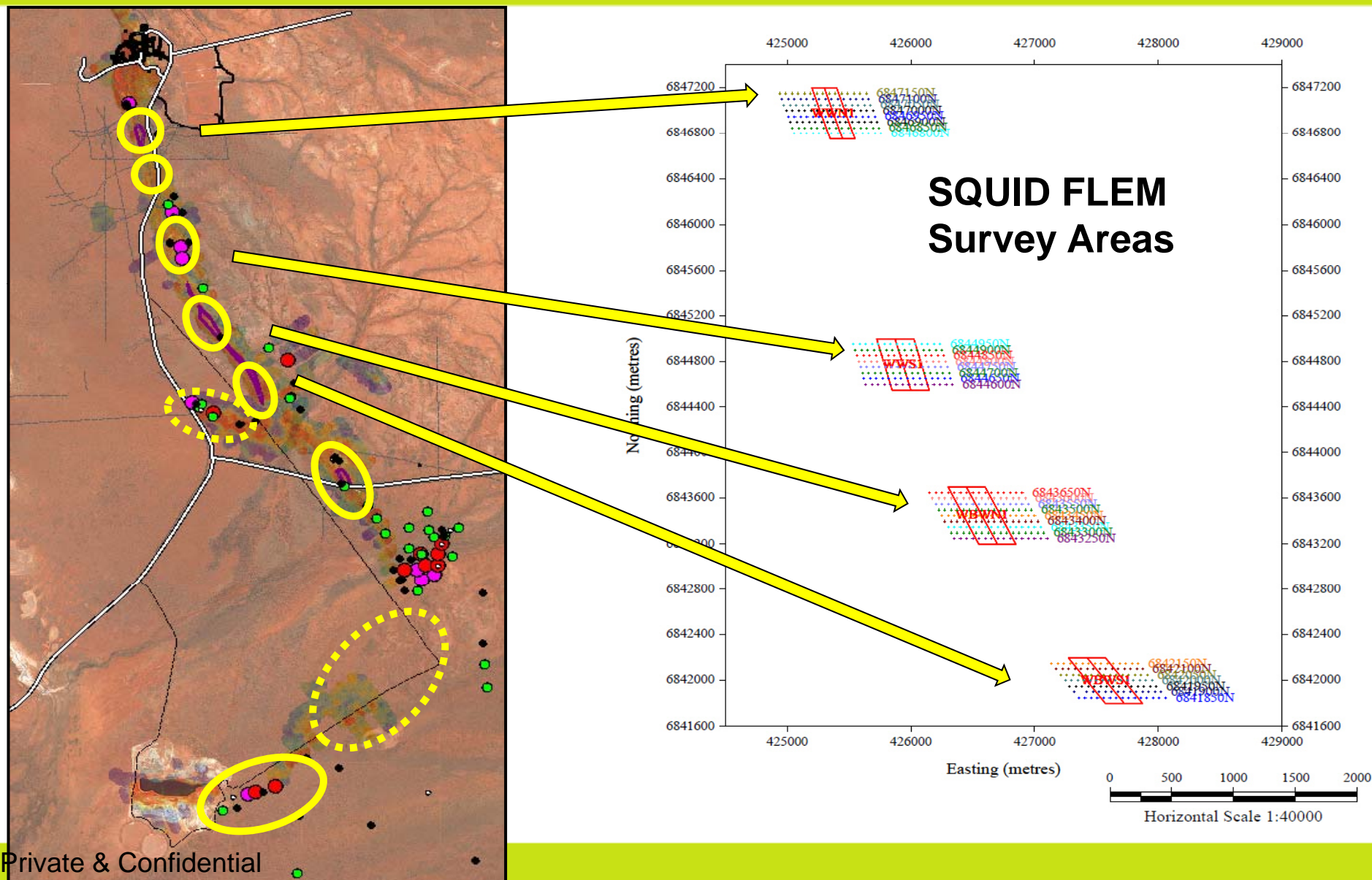
- Signature of channels using Ni-Cu, MgO and TiO ratios

- Channels Mapped

- XRF Niton confirms

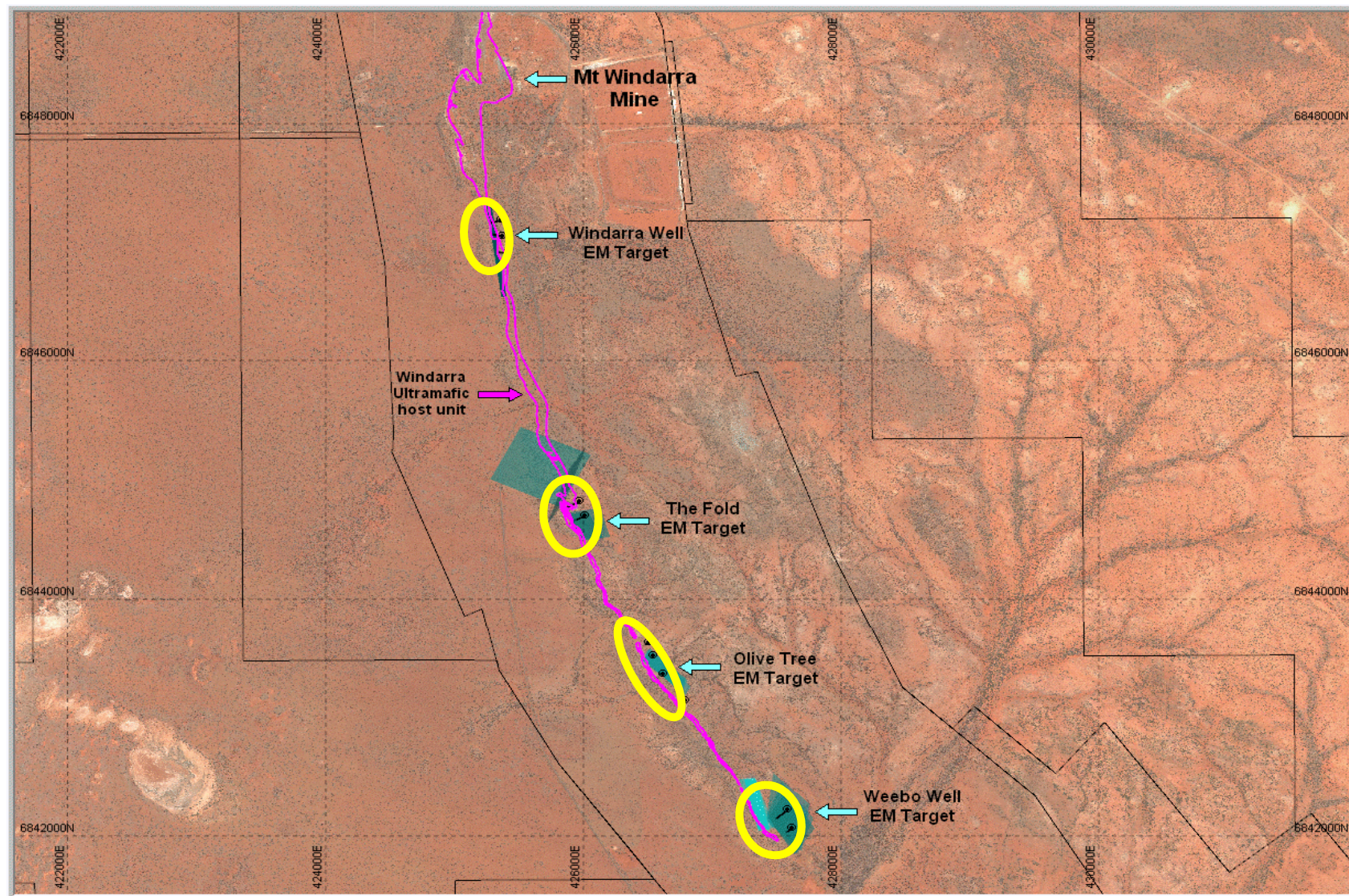


Surface EM used to prioritise 4 targets



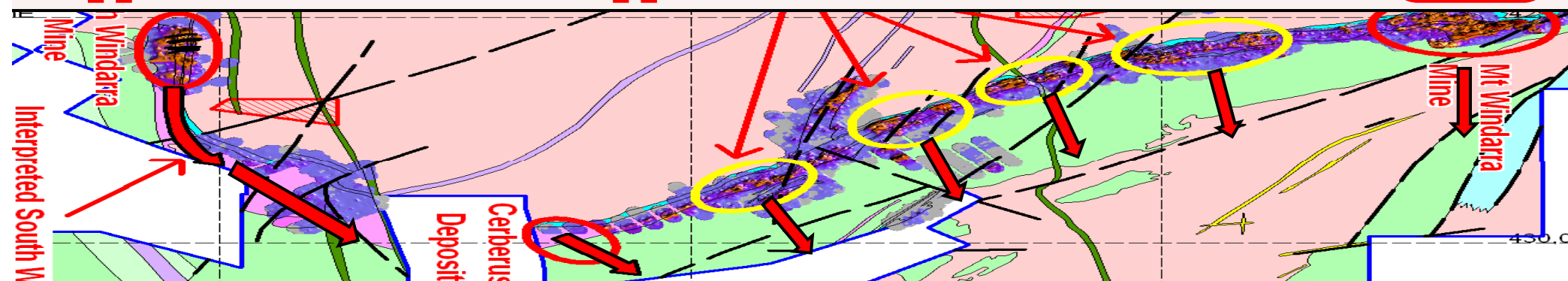
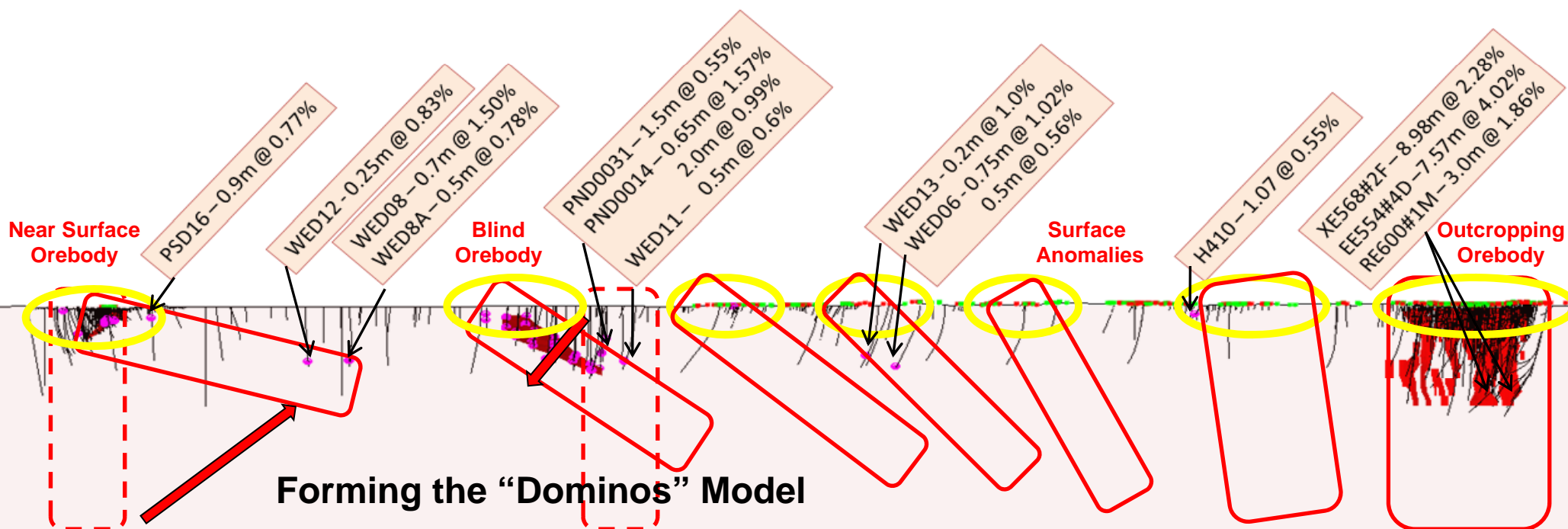
4 Priority Zones with Drill Hole Locations

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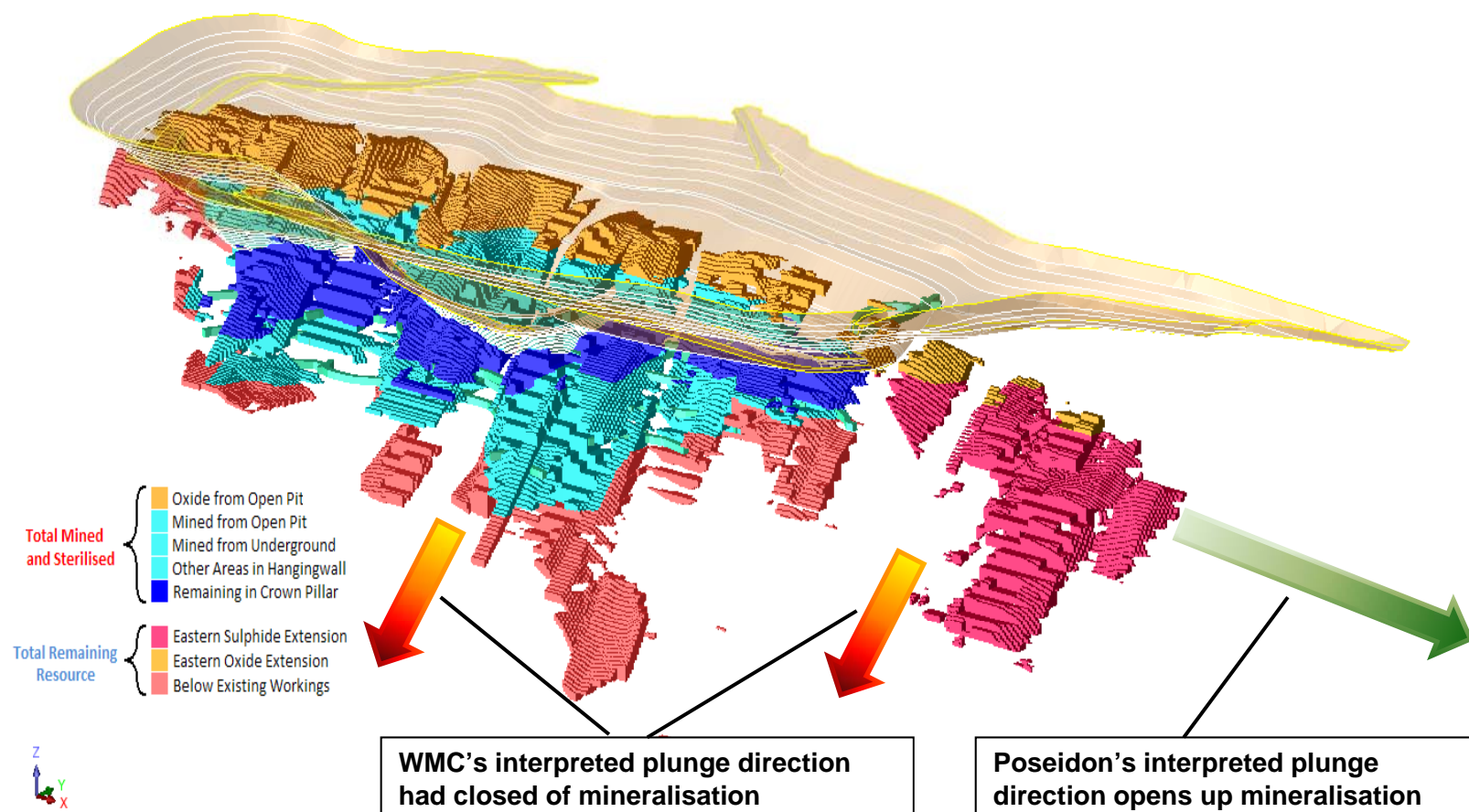
Interpreted Lava Channel Positions – “Dominos Model”

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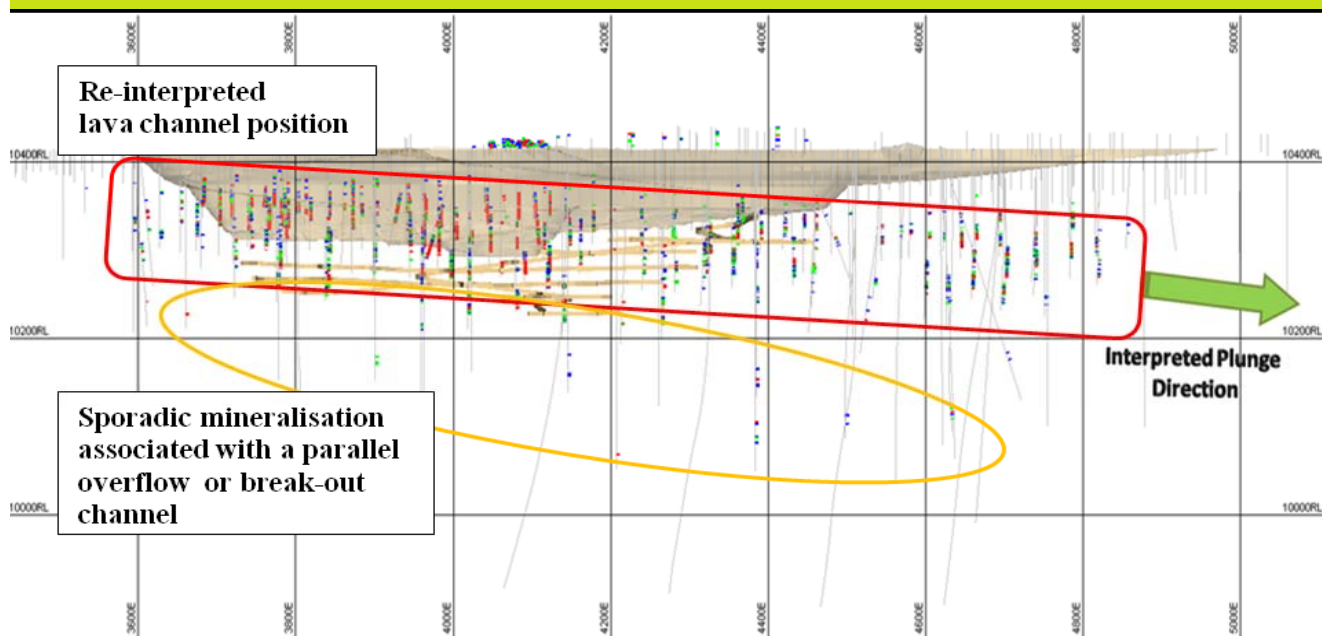
Reinterpretation of South Windarra Identified Opportunity for Extension

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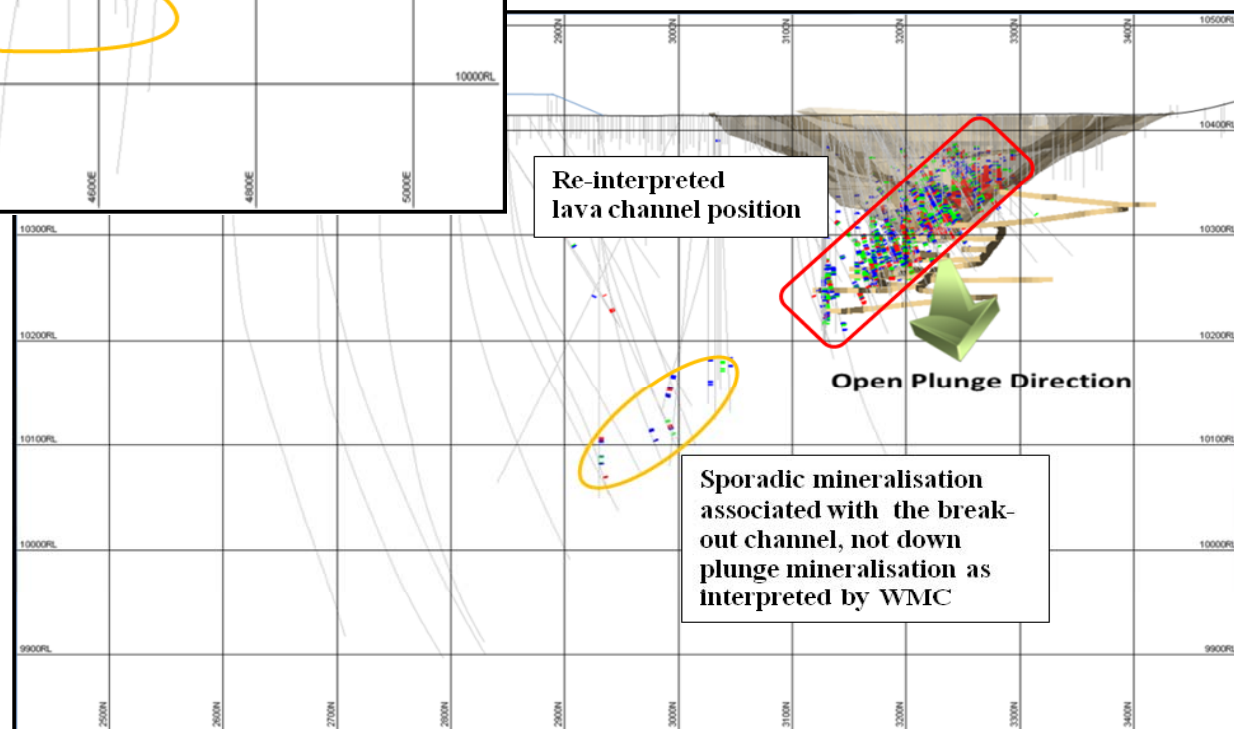
South Windarra

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Long Section
Looking North

Cross Section
Looking West

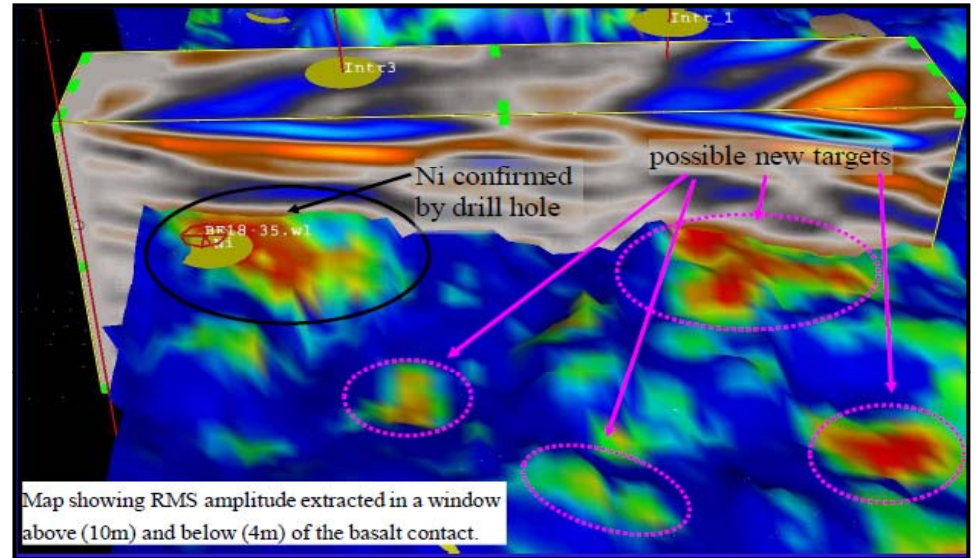
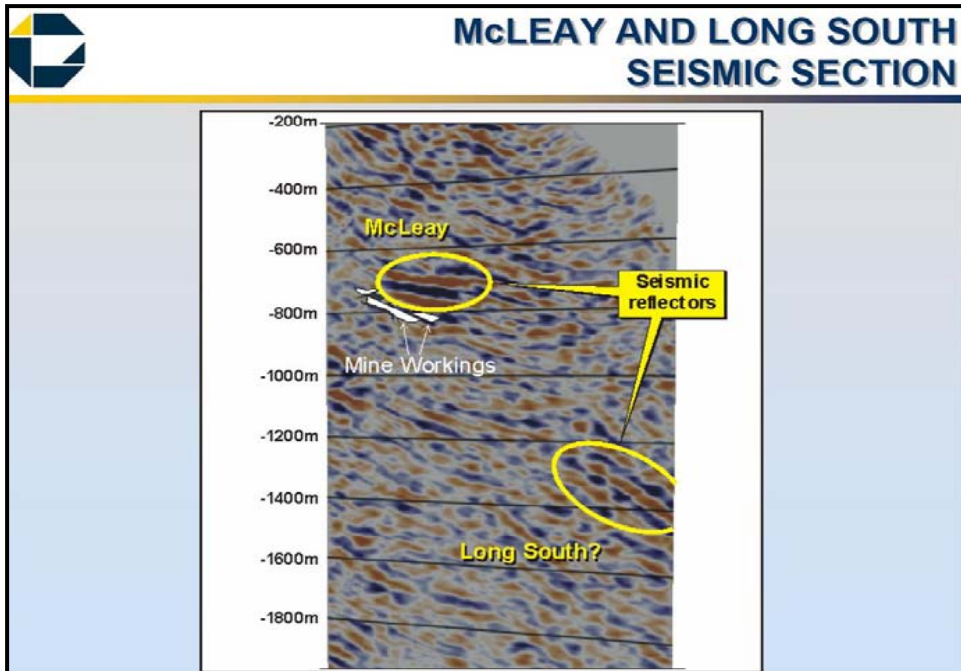


Seismic Survey to confirm South Windarra Channel Position

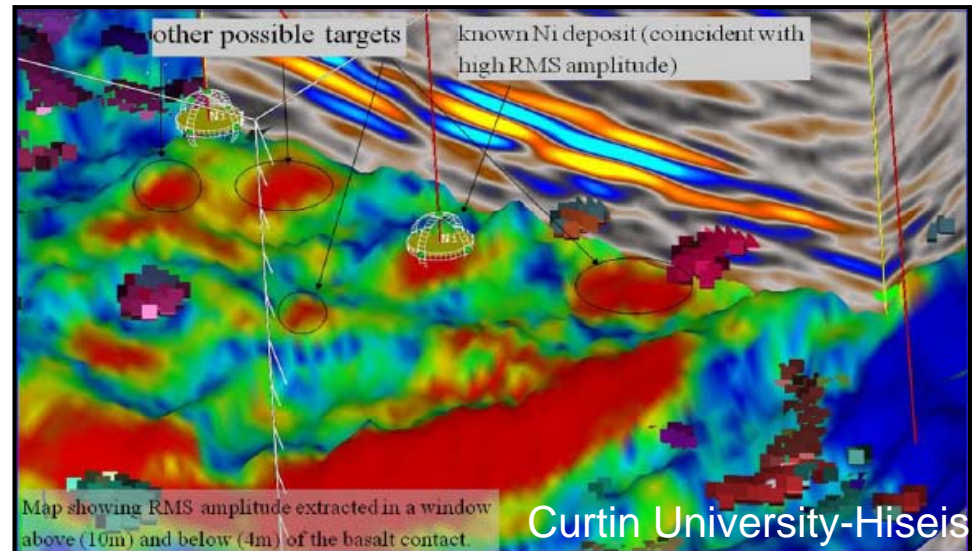
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McLEAY AND LONG SOUTH SEISMIC SECTION



Map showing RMS amplitude extracted in a window above (10m) and below (4m) of the basalt contact.

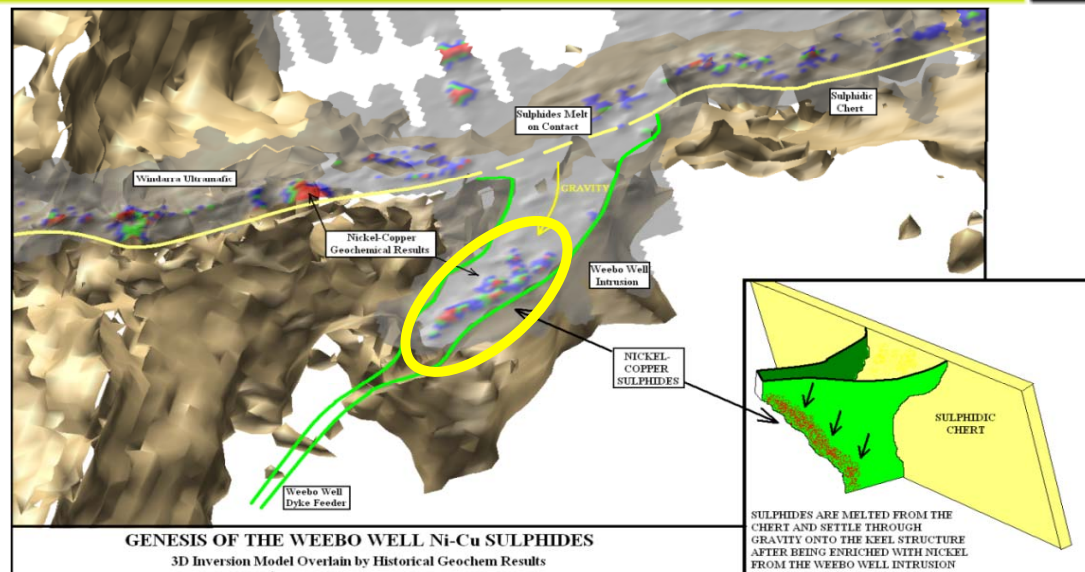
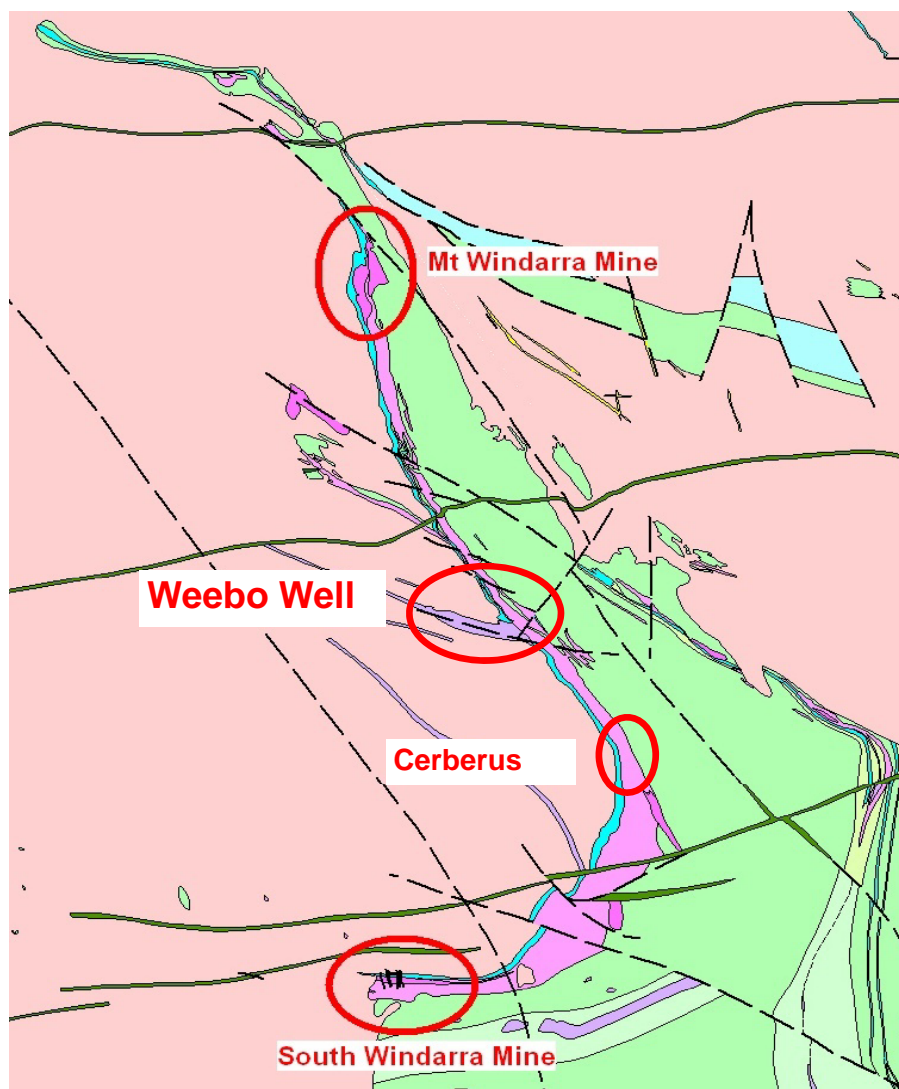


Map showing RMS amplitude extracted in a window above (10m) and below (4m) of the basalt contact.

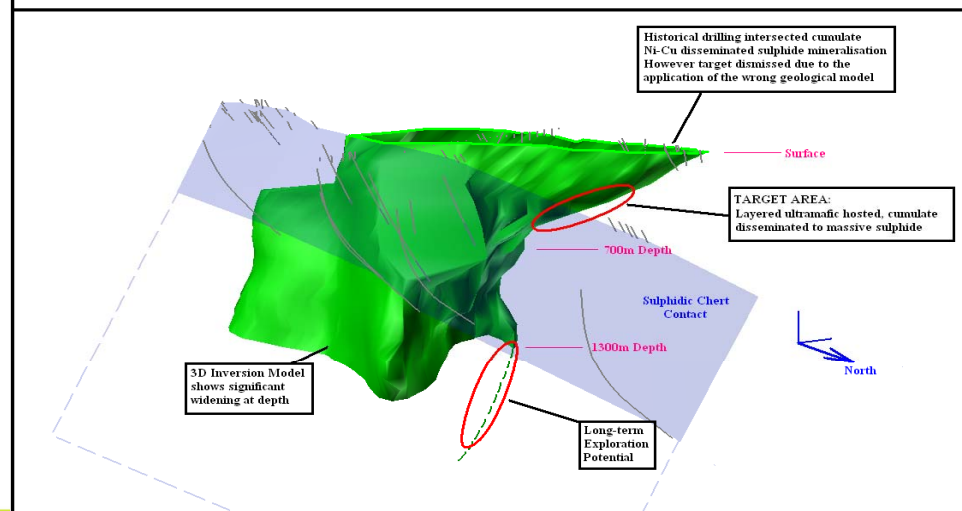
Curtin University-Hiseis

Weebo Well Intrusion

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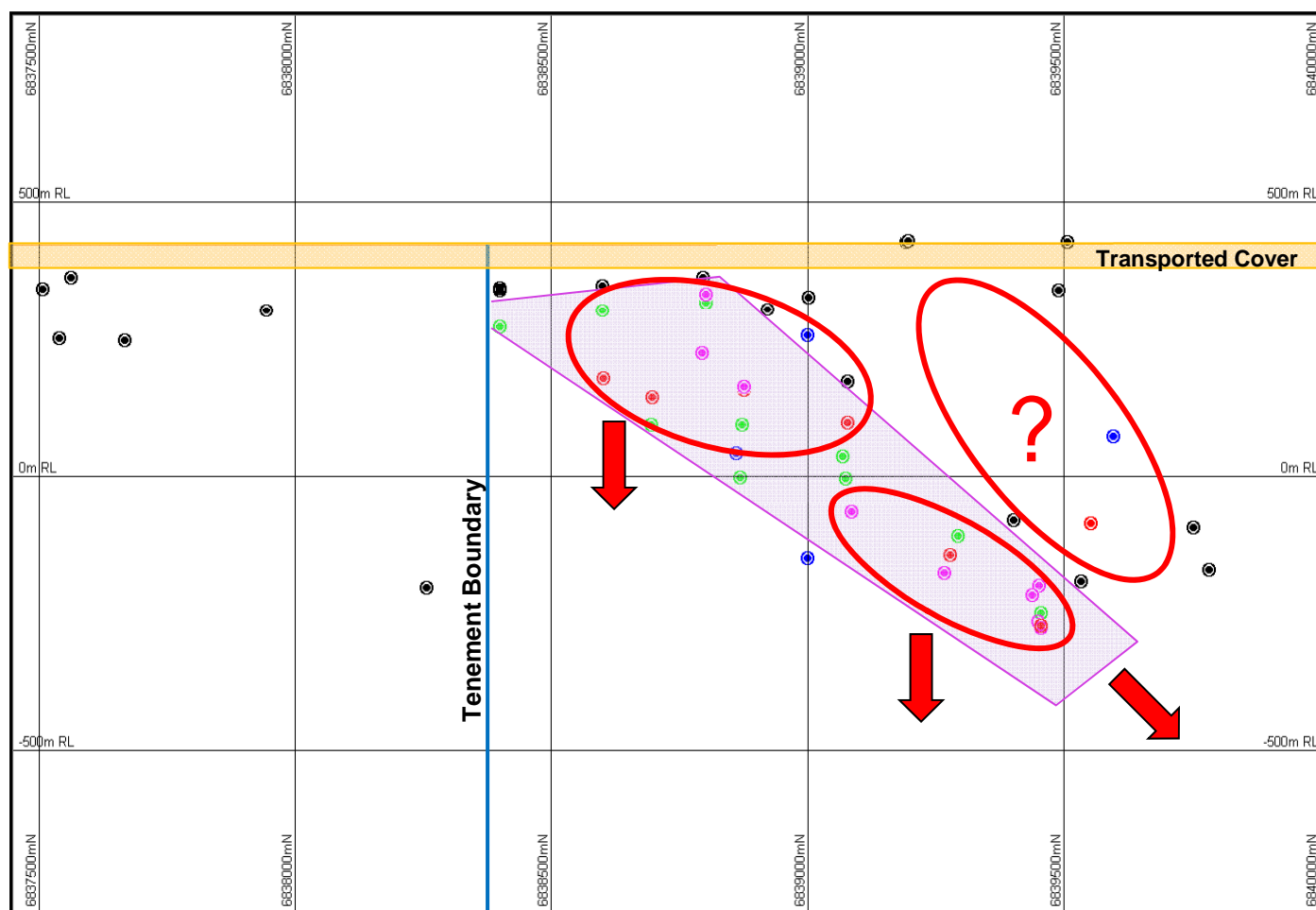
Weebo Well Layered Intrusive - Ni-Cu Target Areas



Drilling Cerberus to increase resource size

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- Open in 3 directions
- Grade increases with depth
- Additional drilling intersected nickel sulphides



Exploration Summary

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- Geochem has identified 7 lava channels
- Surface electromagnetics has prioritised channels
- Drilling underway today
- South Windarra & Weebo Well Seismic this year
- Weebo Well intrusion – EIS grant
- Cerberus growing

Project Summary

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- 100,000 tonne Nickel Resource
- Cerberus new discovery
- Drilling new targets
- Financing options underway
- First production 24 months



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