



# Poseidon Rising

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Hong Kong - June 2011

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**POSEIDON**NICKEL

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# Poseidon Rising

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- Biggest Nickel Sulphide Resource of any Australian Explorer
- 2 existing mines, 1 high grade discovery, 7 significant anomalies
- Fully funded up to committing the concentrator late 2011



# Mt Windarra Mine Site

Main Portal  
Entrance

Vertical Shaft  
Headframe

Core Yard

Power  
Plant

Main Offices  
& Workshops

Tailings  
Ponds



# The “Central Business District” for Mining

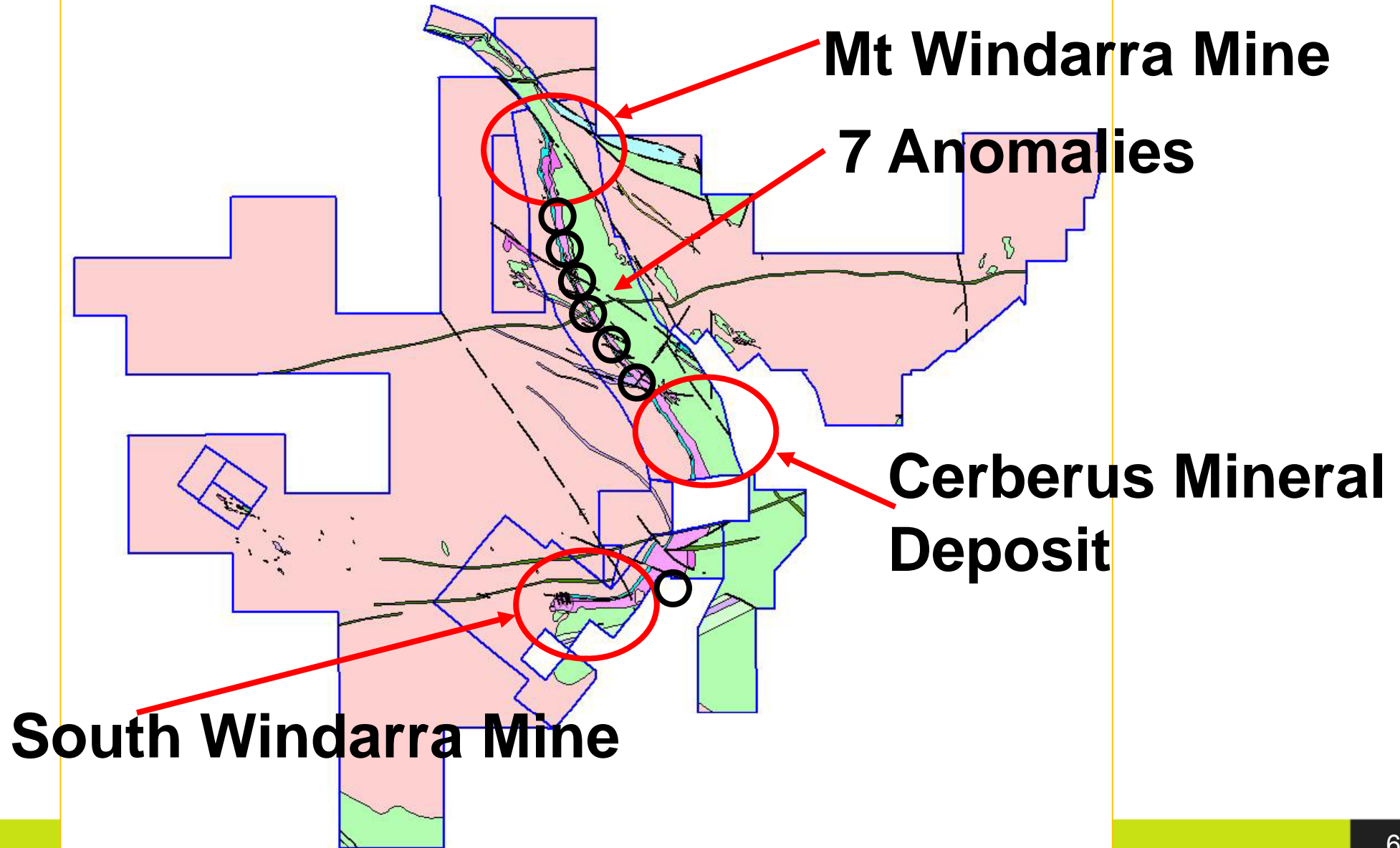
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# 2 Existing Mines, 1 High Grade Discovery & 7 Anomalies

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# Key Points

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1. 7 year initial resource at Mt Windarra
2. First concentrate late 2012
3. Cash cost US\$3.20\*/lb average
4. China Non Ferrous (NFC) to build and fund concentrator\*\*
5. Cerberus drilling targeted at 2013 opening

\*10 year average \*\*For details see relevant announcement

# Over 4 years we have built Australia's premier nickel sulphide explorer

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## RESOURCE 2007

Mt Windarra	NIL
Cerberus	Unknown
South Windarra	NIL

## RESOURCE 2010

62,200 Ni @ 1.61%  
38,000 Ni @ 2.05%  
10,300 Ni @ 1.14%



# Ready To Go with \$50m of built infrastructure

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# Mt Windarra - Vertical Ore Shaft Headframe





# On Site Accommodation Expansion Completed June 2011





# Mt Windarra - Power Plant Expansion





# Tailings Ponds and Airstrip

ML 261SA

E38/1450



Process  
Water  
Dam  
Plant  
ROM  
Pad

Existing Area  
of Disturbance



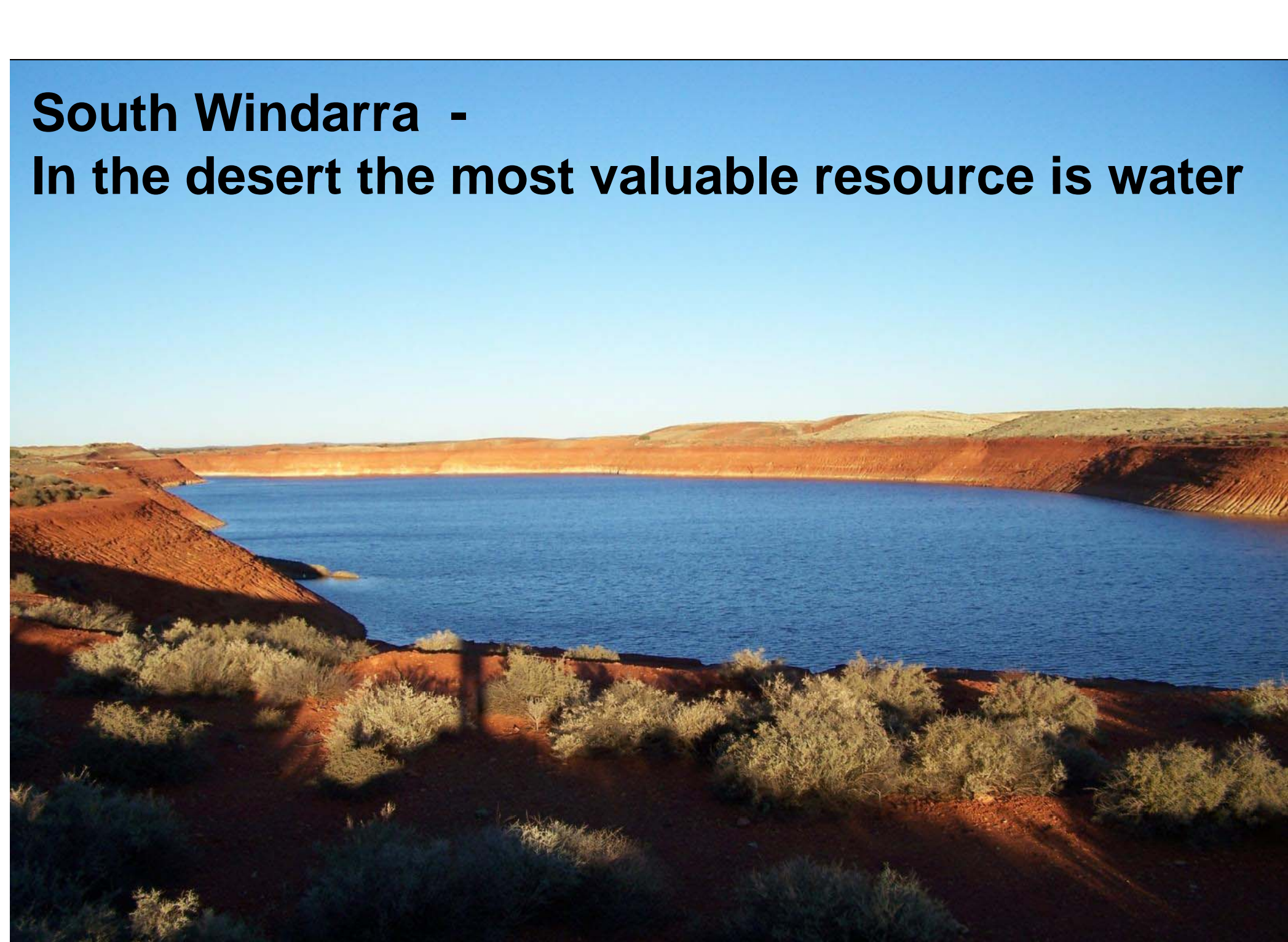
## LEGEND

- Processing Plant
- TSF Lift
- Existing Area of Disturbance
- Mining Lease Boundaries
- Roads**
- Access Road
- Unsealed Road



**South Windarra -**

**In the desert the most valuable resource is water**



# The final refurbishment of the underground prior to restarting mining is underway

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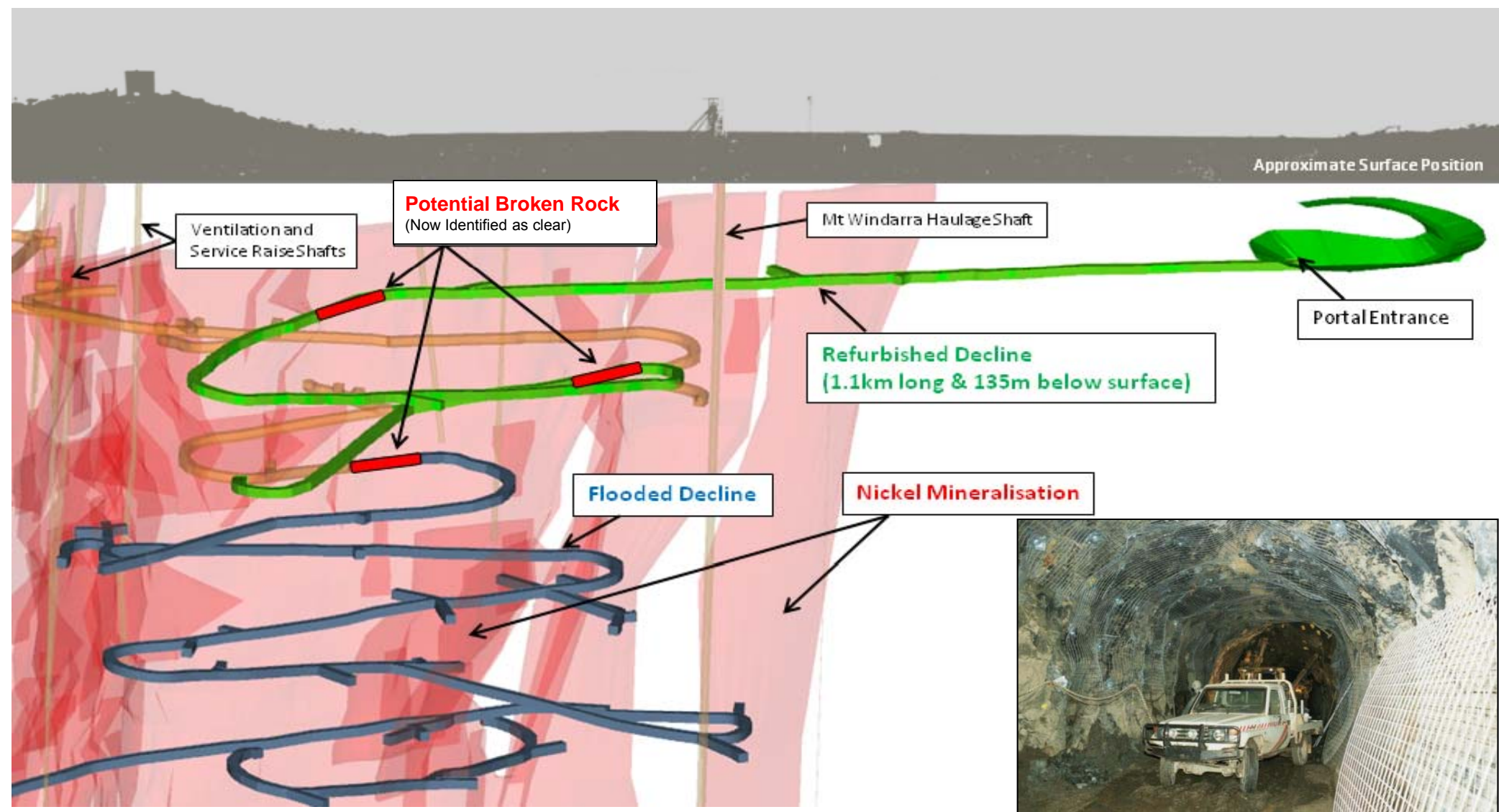
- Mining & refurbishment equipment on site and in operation
- Decline over 20% complete
- Refurbishment will complete in 2011





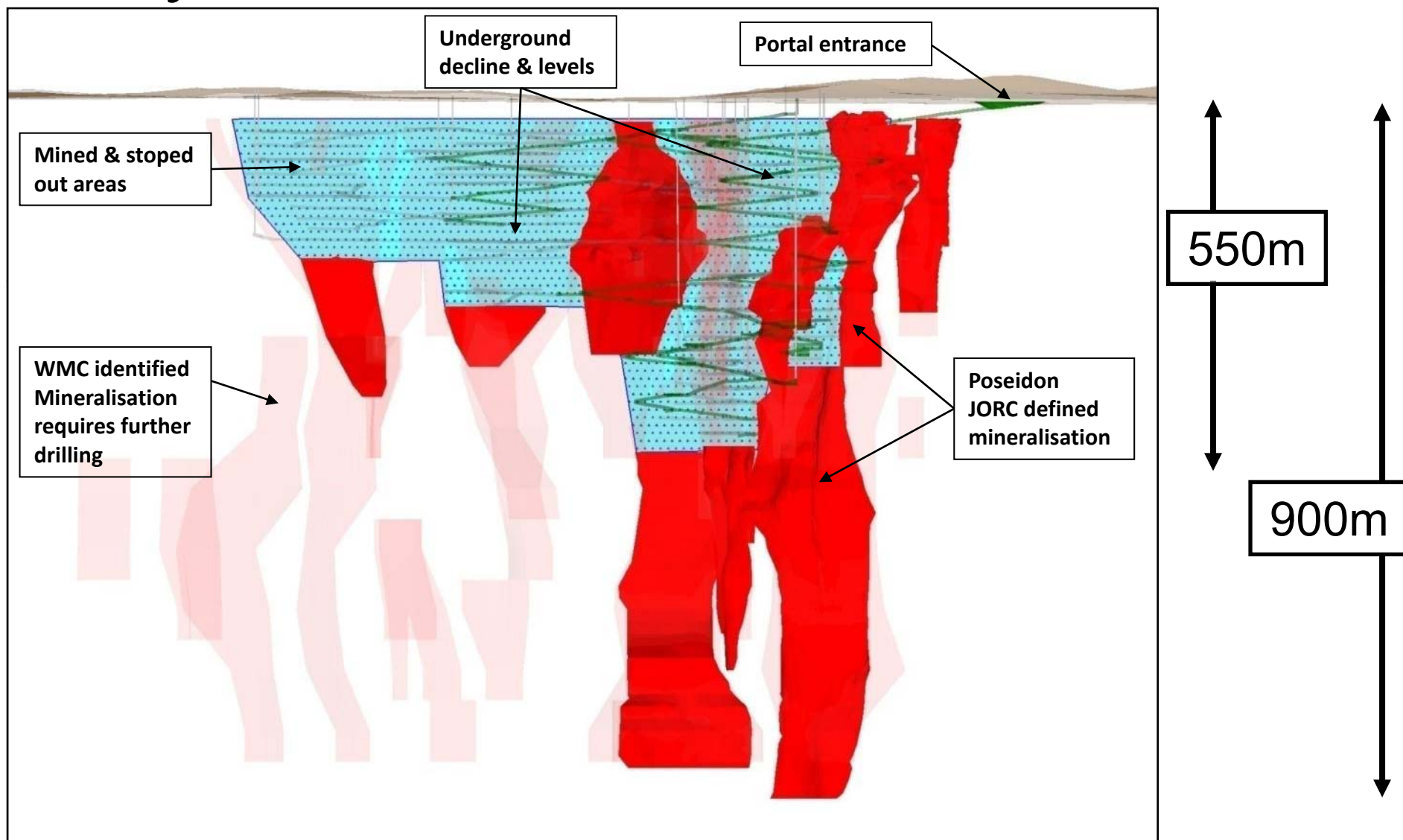
# Refurbishment to Date Shows Viability

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

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New Build Concentrator will cost circa \$35m

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# New Build Concentrator will cost circa US\$35m

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- Initial stage 350,000 tonnes expandable to  $\approx$  700,000 tonnes
- Plant low risk & well understood
- MOU signed with China Non Ferrous & Arccon (Australia) to:
  - Provide fixed price turnkey concentrator plant
  - Vendor finance package for approx 80% of cost over 8 years
  - Expect binding agreement 3<sup>rd</sup> quarter 2011



# Windarra Geology

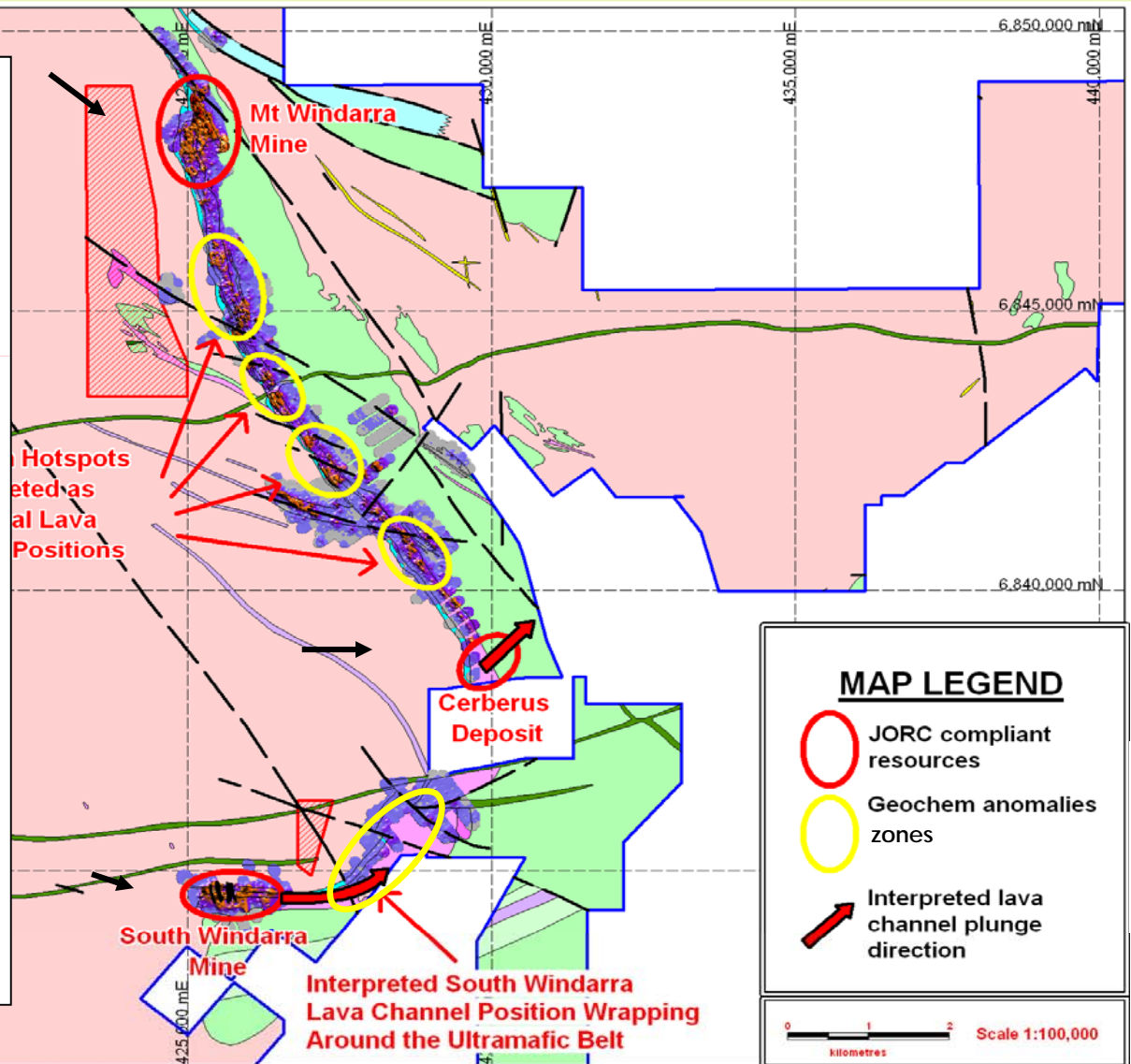
Private & Confidential

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# Low Resource Risk

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- 24km strike length
- 2 long life mines at northern & southern ends
- 110,000 tonne Nickel Resource
- New high grade discovery at Cerberus
- 7 anomalous lava channels recently discovered

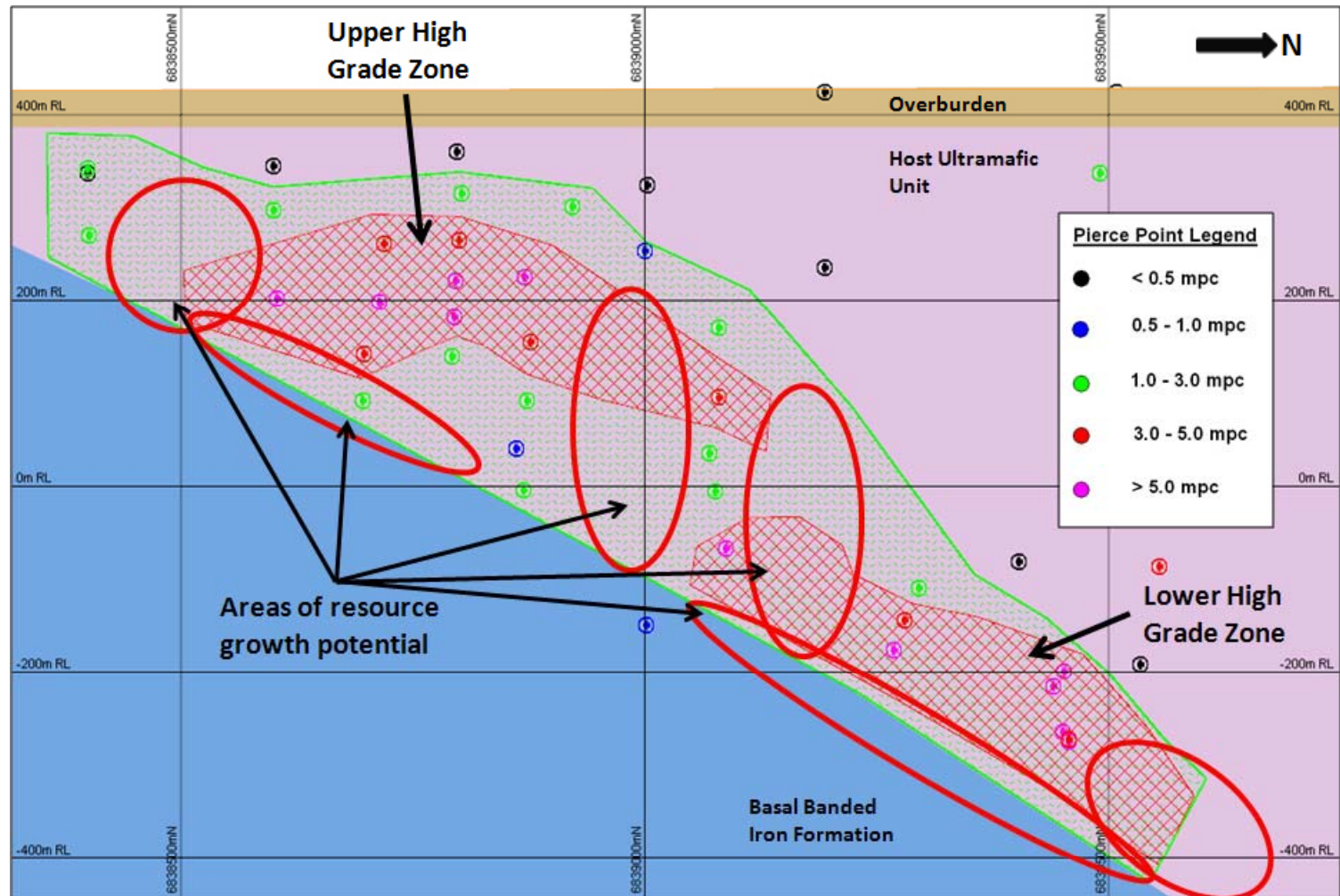




# Cerberus is the first discovery on the site by Poseidon

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- Open in 3 directions
- 2 higher grade pods exist
- Grade increases with depth
- Additional drilling is underway





**Now drilling 20,000 metres at  
Cerberus during next 6 months**







# Project Economics

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# Harbinger US\$20m funding – Best in market

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- New US\$20m convertible at 30c/share
- Premium of 42% to share price (at time)
- 6 year term
- 3 years @ 0% + 3 years @ 5%
- Unsecured

# Work Required to Progress Mt Windarra\*

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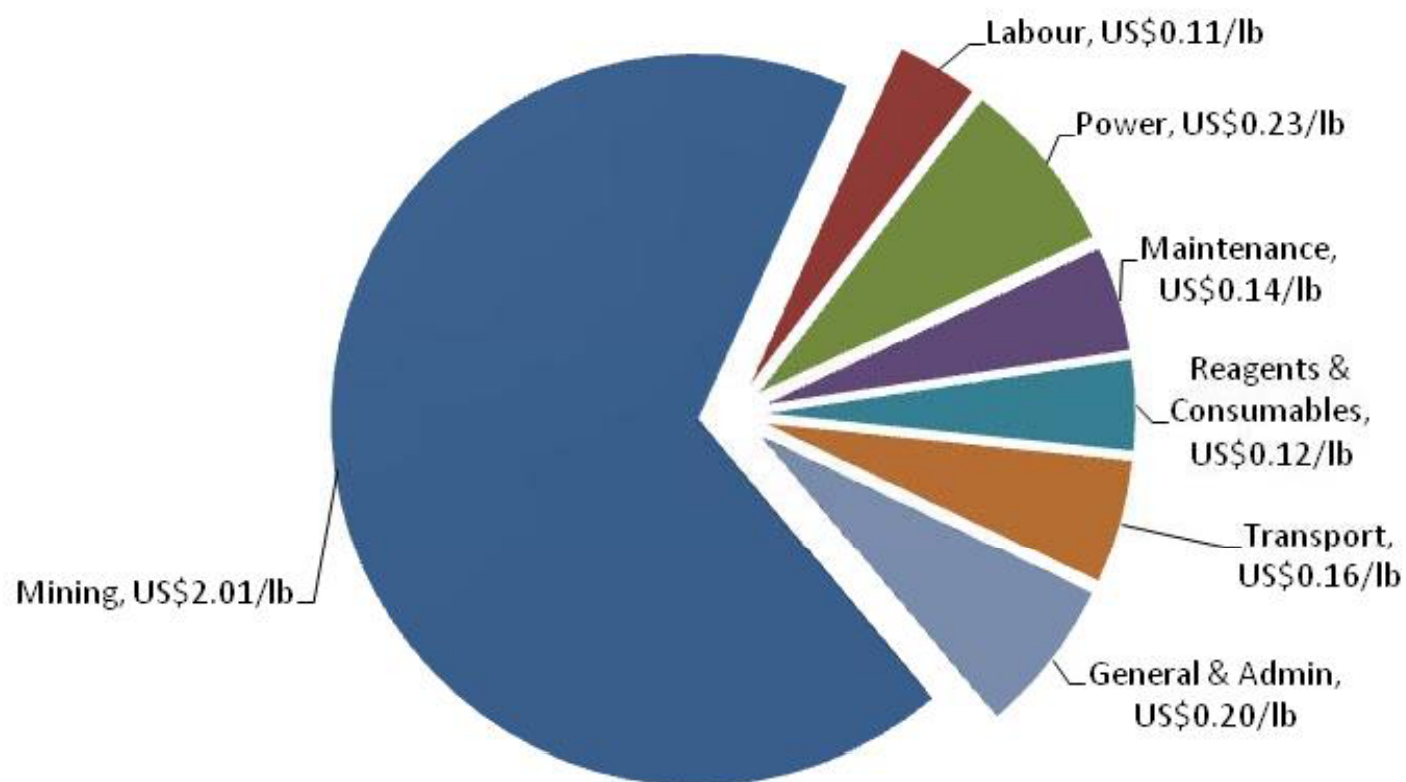
	<u>Cost</u> <u>US\$m</u>	<u>Time</u> <u>(months)</u>
▪ Complete de-water & refurbishment of Mt Windarra nickel mine	8	10
▪ Drill Mt Windarra, Cerberus and South Windarra to increase resources and reserves	7	12
▪ Construct facility concentrator	35	12-18
▪ Restart working capital & other costs	5	6
<b><u>TOTAL</u></b>	<b>55m</b>	<b>18-24</b>

\*Phase 1 only

# Low Cash Cost Producer – US\$3.20/lb

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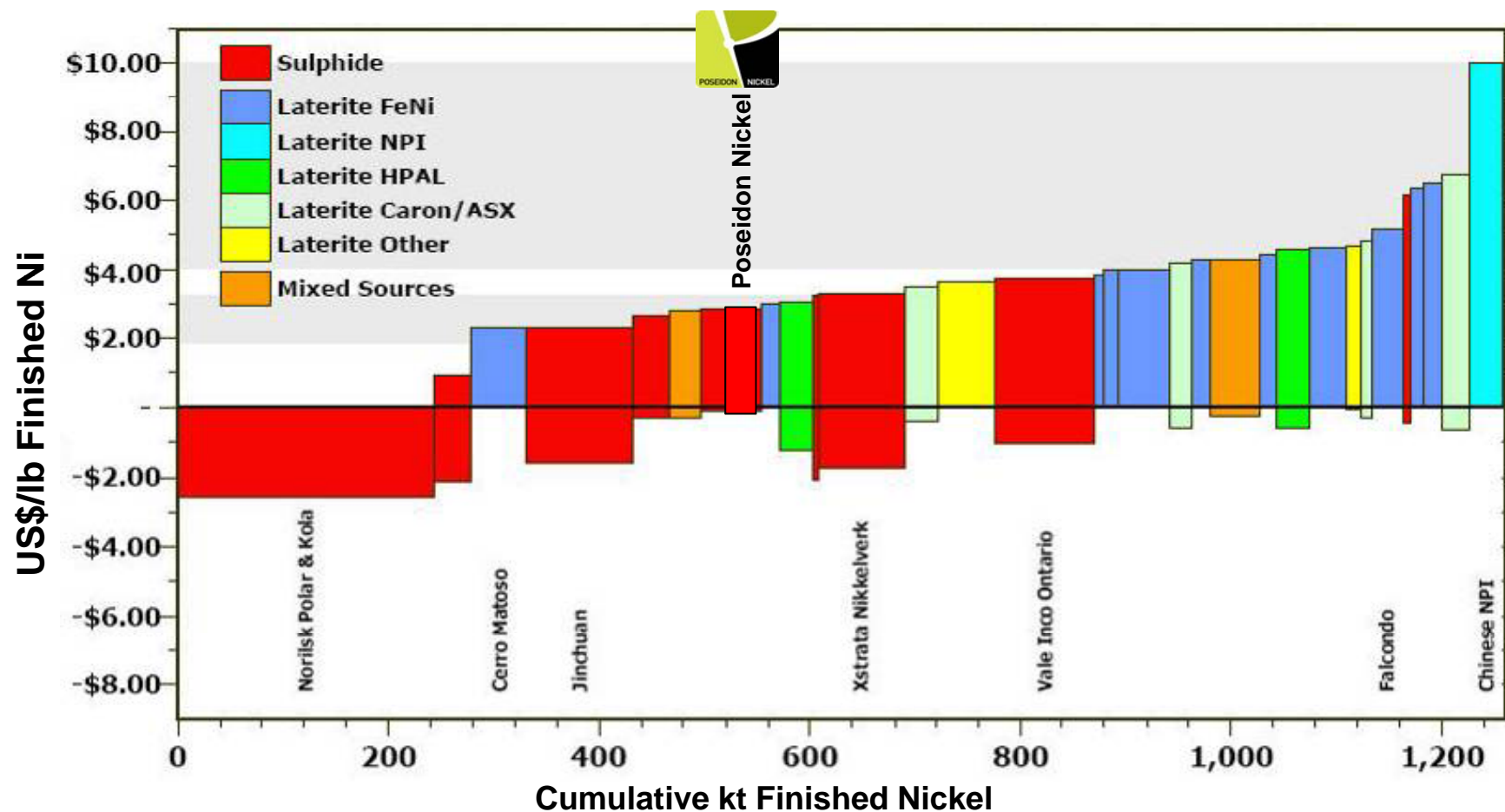
**Opex (C1) Costs – US\$3.20/lb**  
(before Cobalt credits)



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

# Low Cash Cost Producer – US\$3.20/lb

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Metalytics cost data

\*based on full output. See assumptions book not in presentation

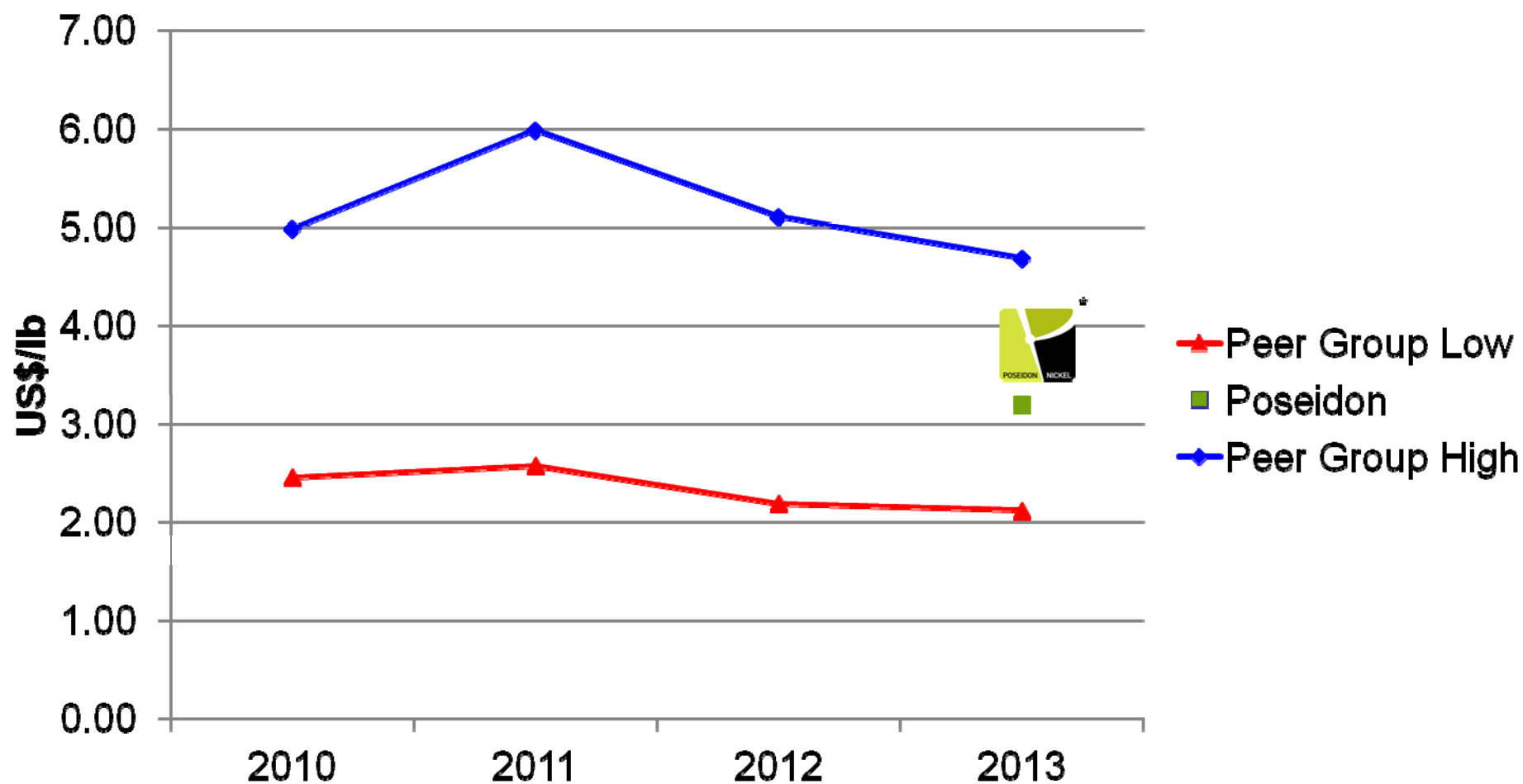
Poseidon cash cost is average over life of project



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

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C1 Operating Cost US\$/lb Nickel

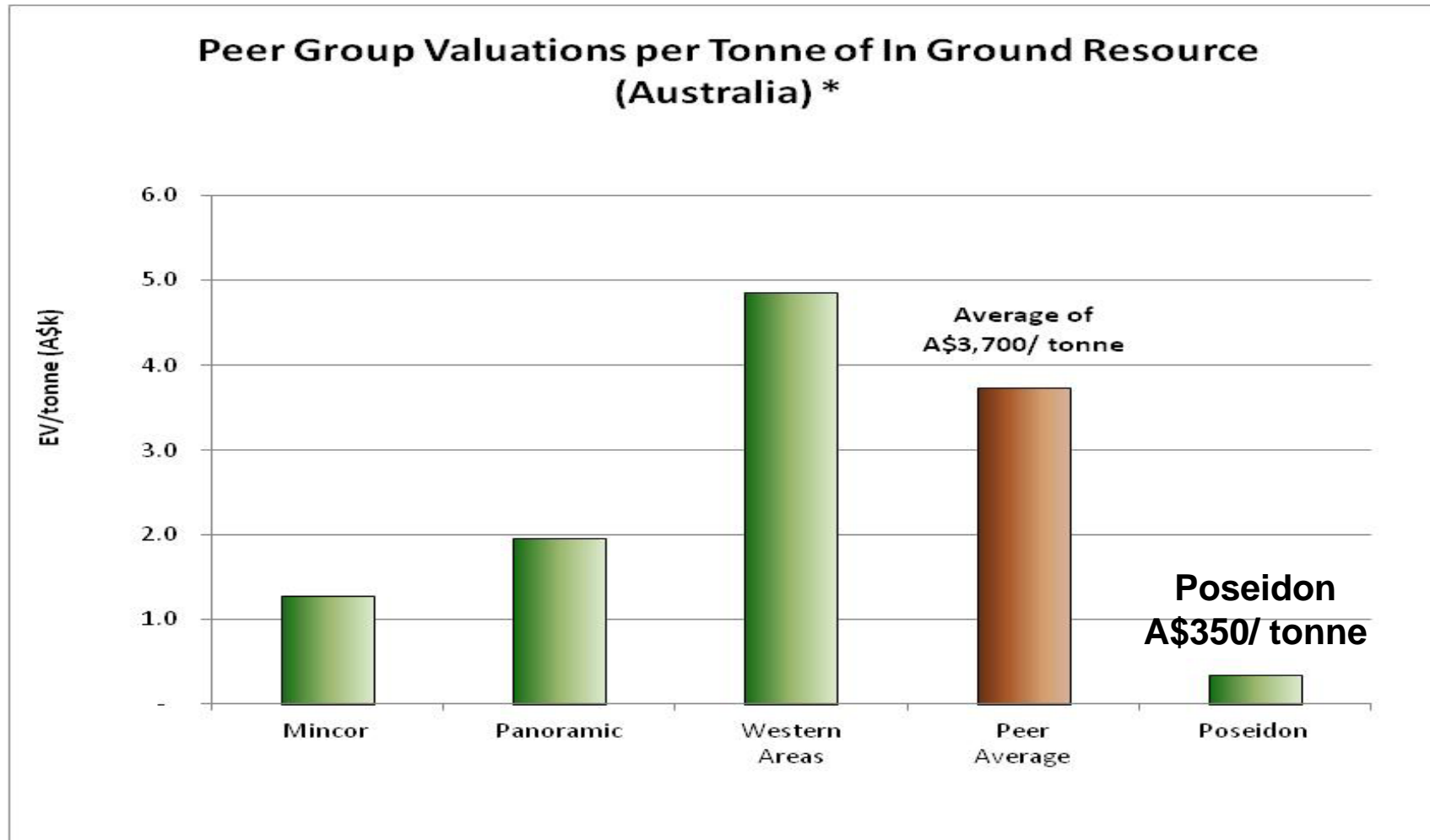


\*Poseidon average C1 over 10 years

Data Source: RBC Capital Markets February 2011

# Poseidon is trading at 9% of its Nickel producer Peer Group on an in-ground resource basis

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## Assumptions

- Utilises average Peer group EV / tonne of in-ground resource of A\$3,700 / tonne

\* Data Source: RBC Capital Markets – Company Updates (March & April 2011)

# Summary

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- 110,000 tonne Nickel Resource
- 5,000 tonne Nickel initial output target (Phase 1) – late 2012
- Plan to double output using Cerberus (Phase 2)
- US\$20m capital raising complete
- China Non Ferrous to build concentrator
- Offtake offers underway

# Windarra Nickel Project Resource Statement

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Windarra Nickel Project Sulphides	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
<b>Mt Windarra</b>	0.75%	910,000	1.24	11,300	2,955,000	1.72	50,900	3,865,000	1.61	62,200
<b>South Windarra</b>	0.90%	820,326	1.15	9,434	82,404	1.05	864	902,730	1.14	10,298
<b>Cerberus</b>	1.25%	756,360	1.62	12,264	1,092,500	2.35	25,707	1,848,816	2.05	37,971
<b>Total Sulphide</b>		<b>2,486,686</b>	<b>1.33</b>	<b>32,998</b>	<b>4,129,904</b>	<b>1.88</b>	<b>77,471</b>	<b>6,616,546</b>	<b>1.67</b>	<b>110,469</b>

*Note: The information in this report 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 and Mr I Glacken who is a Fellow of the Australasian Institute of Mining and Metallurgy as well as a full time employee of Optiro Pty Ltd. Mr Hutchison and Mr Glacken both have sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which they are 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.' Mr Hutchison and Mr Glacken have consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The Australian Securities Exchange has not received and does not accept responsibility for the accuracy or adequacy of this release.*



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