



# Poseidon Rising

Annual General Meeting  
22 November 2011

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# Project Highlights

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**Harbinger to Fund \$20m Convertible Note  
at 42% Premium to Share Price**

**December 2010**



# **Cerberus Drilling Results Released. Grades up and now 110m from surface**

**January 2011**





# **Mining Fleet on site and ready to commence refurbishment**

**February 2011**



# Project Highlights

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**Studies indicate US\$3.20 per pound nickel  
due to low mining cost**

**February 2011**

A photograph of two miners in a dark underground tunnel. The miner on the left is wearing a yellow high-visibility shirt and a white hard hat, pointing upwards. The miner on the right is wearing a tan shirt and a white hard hat, looking in the same direction. The tunnel walls are covered in a grid of rebar and small white markers. A bright light source is visible in the background, illuminating the scene.

# **Underground Refurbishment Commences at Mount Windarra**

**March 2011**



# **Biggest Yet Diamond Drill Programme for Windarra**

**March 2011**



# Project Highlights

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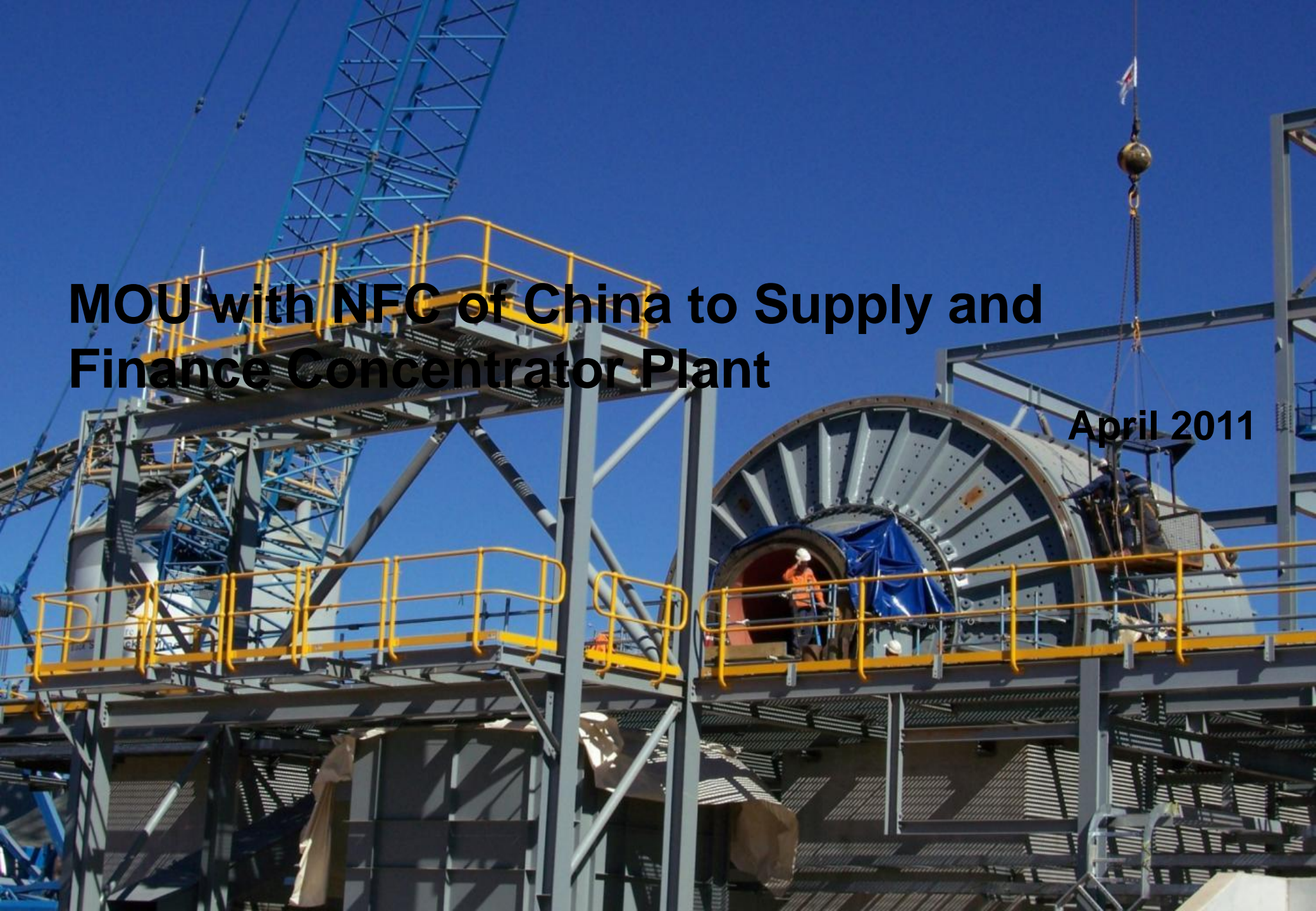
**\$20m Funding Received Post EGM**

**April 2011**

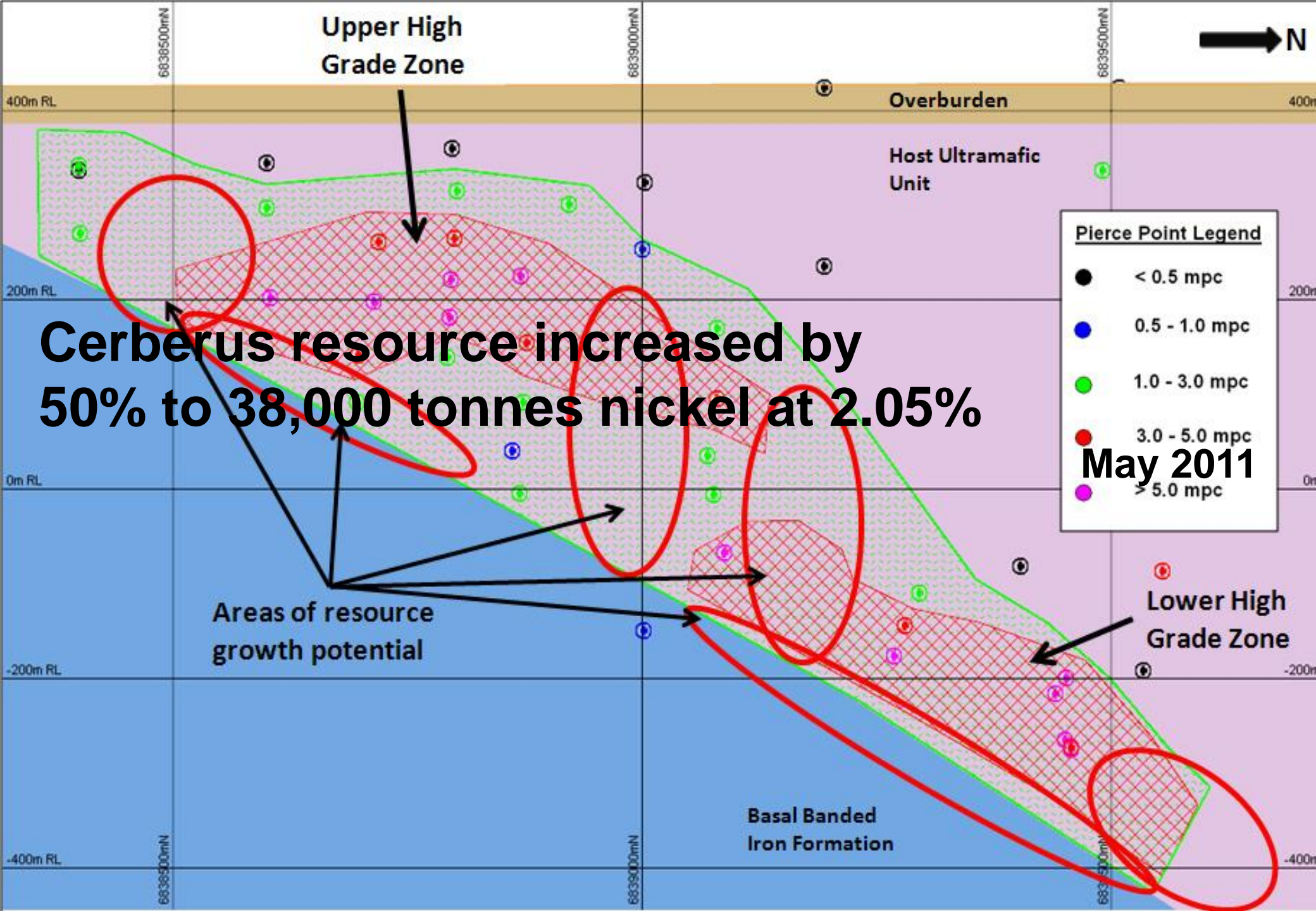


# MOU with NFC of China to Supply and Finance Concentrator Plant

April 2011







**Cerberus resource increased by 50% to 38,000 tonnes nickel at 2.05%**

**May 2011**

**Pierce Point Legend**

- < 0.5 mpc
- 0.5 - 1.0 mpc
- 1.0 - 3.0 mpc
- 3.0 - 5.0 mpc
- > 5.0 mpc

A photograph of a metallurgical testing setup. A white probe is positioned over a sample of ore, which is covered in a dense layer of small, metallic, spherical droplets. The setup is mounted on a stainless steel table. In the background, there is a red button and a dial with numbers 30, 60, and 90. To the left, there is a yellow container and a green bottle. To the right, there is a green container and a black cable.

# **Metallurgical Testing Confirms Cerberus Ore Potential**

**June 2011**



# On Site Accommodation Expansion Completed

June 2011





# Electrical Power Installed at Windarra to Support Refurbishment Works

July 2011



## **Top Lode to Cerberus Resource Discovered Revealing further Extensions**

**October 2011**



# Poseidon to Double Proposed Mine Throughput

October 2011





## **Mount Windarra Mining Proposal Submitted to DSD. Cerberus by Year End**

**November 2011**

# 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 2011\*

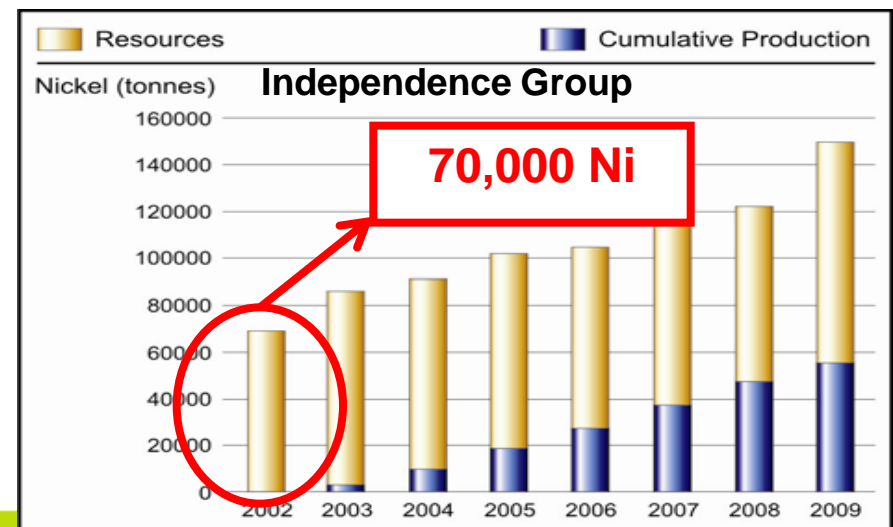
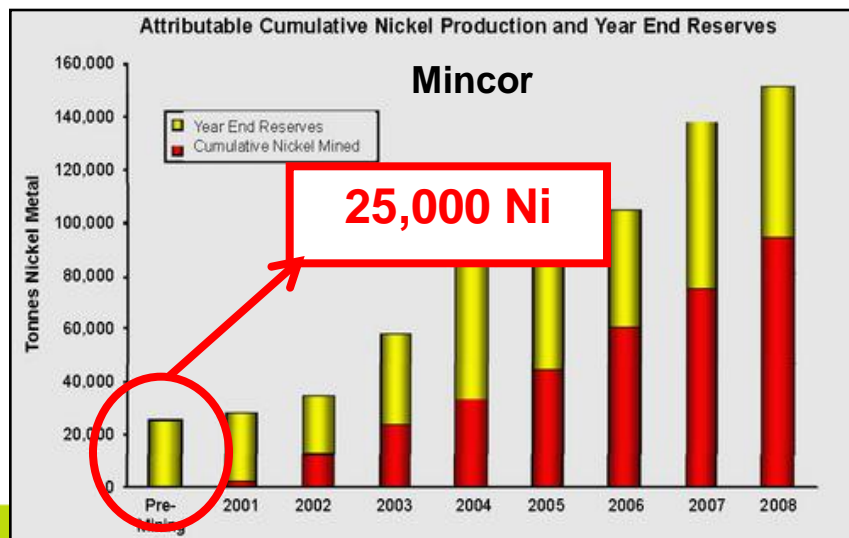
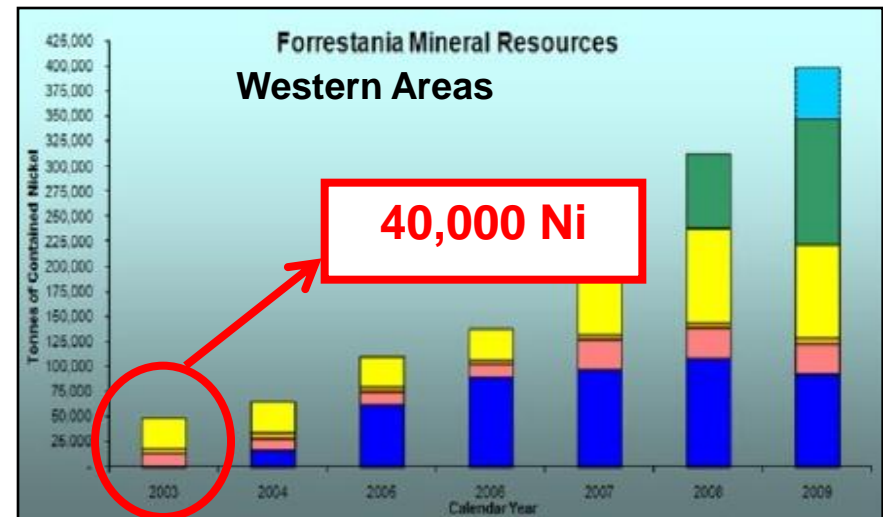
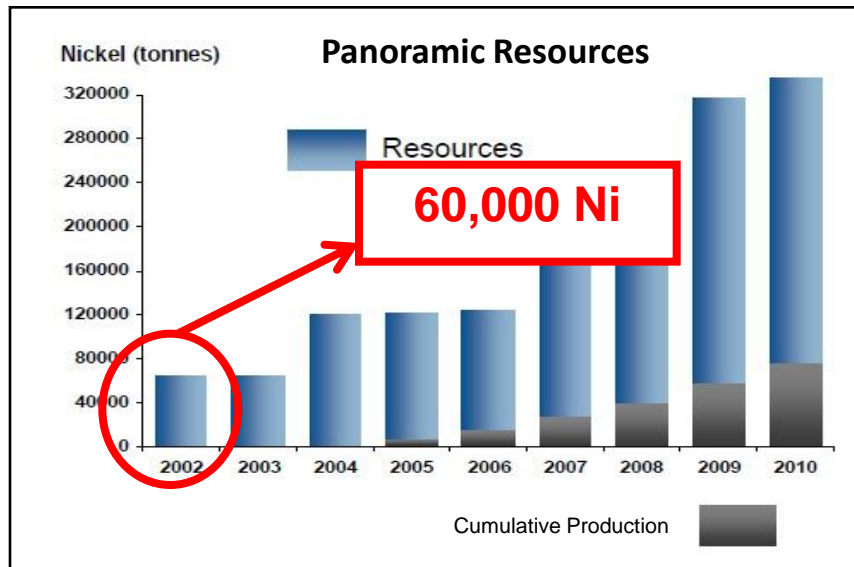
62,200 Ni @ 1.61%

38,000 Ni @ 2.05%

10,300 Ni @ 1.14%

# Poseidon's 110,000 tonne nickel resource compares well with successful peers

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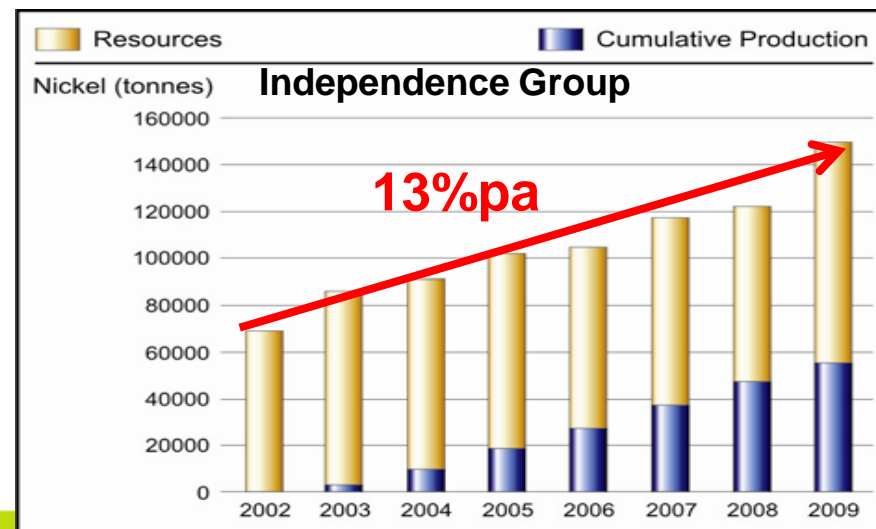
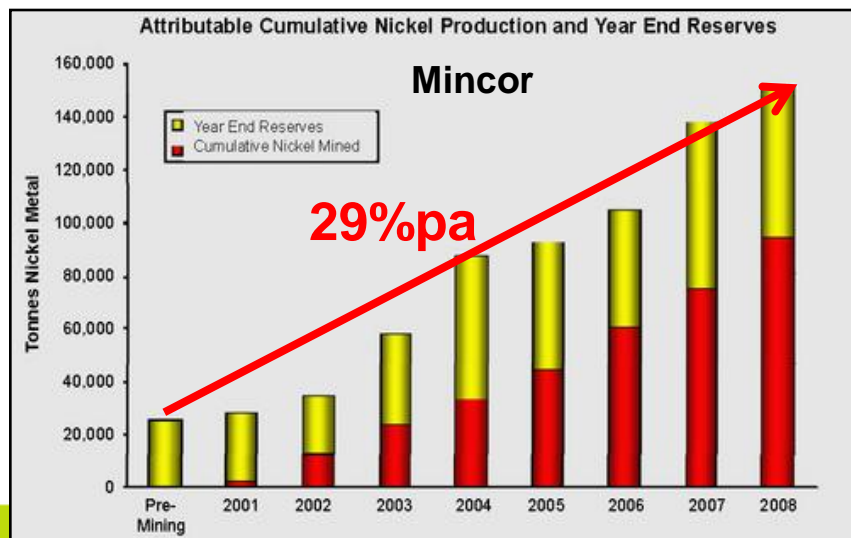
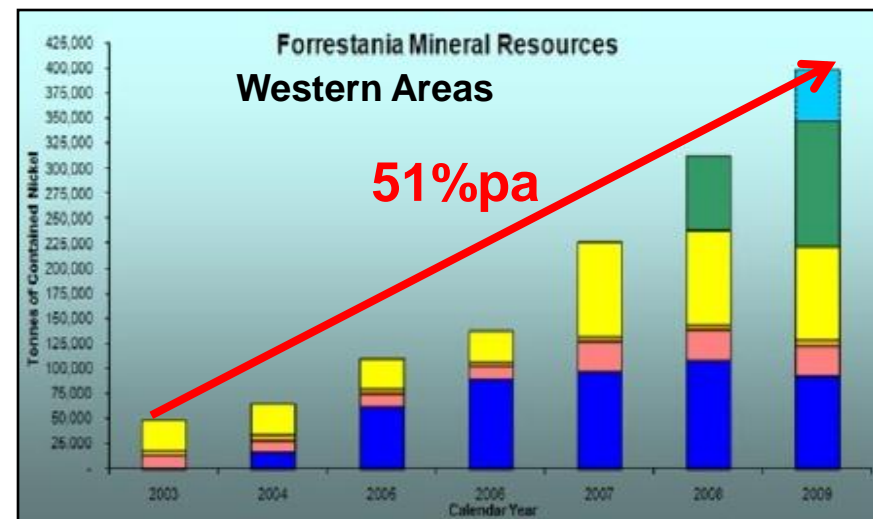
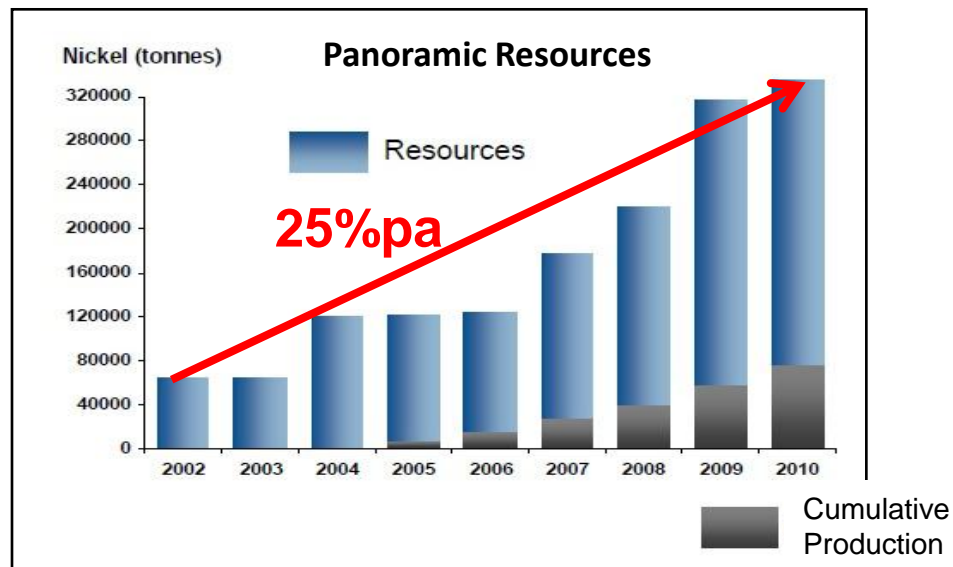


Approximate pre-mining resources using publicly available information



# West Australian Peers have extended mine life continuously in production

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% stated is the compound growth rate of the resource from start up and provides a useful indicator to what may happen at Windarra

# Key Points

1. Mount Windarra & Cerberus to feed 700,000 T p.a. concentrator
2. Six & ten year initial resource at Mt Windarra & Cerberus
3. 12 months to Production from Financing
4. Cash cost <US\$3.20/lb average
5. China Non Ferrous (NFC) to build and fund concentrator\*
6. Feasibility studies & Govt approval submissions end 2011

\* See relevant announcement

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

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- Mining & refurbishment equipment on site and in operation
- 300m vertical dewatered out of 550m
- Refurbishment will complete in 2012



# Cerberus has advanced quickly

- Cerberus initial drill out now complete
- Final resource mine plan by end 2011
- Continues to surprise on upside with resource extensions considered likely
- Mining approval will be submitted to WA Government this year
- Plan to mine in tandem with Mt Windarra providing fee flexibility

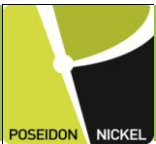


# New Build Concentrator will cost circa \$60m

- Concentrator will process Mt Windarra and Cerberus Ore to produce circa 10,000 tonnes nickel per year
- 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 eight years

# Project Economics for Various Nickel Processing Routes : 2011

**Average Capital Intensity**  
World  $\approx$  \$10 - \$20/lb p.a.



$\approx$  \$5.30/lb p.a

## Sulphide Ore

Concentrator    Heap Leach

## Late

High P  
Acid

1.5 to 2.5%

1.0 to 1.2%

1.0 to

5 - 10

20 - 25

40

\$10 - \$20

\$10 - \$20

\$25

\$5 to \$7

\$4 - \$5

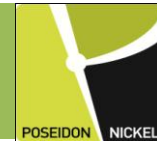
\$4

\$4 - \$6

\$3 - \$4

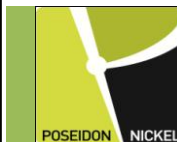
\$3

**Key Cash Cost target**  
World \$4-\$6/lb



\$3.20/lb

**Payback period**  
(US\$10/lb)  
World 2-7 years



<2 years

Payback period      (years)      no credits

2 - 7 years

2 - 4 years

4 - 10

based on \$10/lb Ni

with credits

2 - 5 years

2 - 3 years

3 - 5

# Note: Excludes the cost of the nickel laterite mine - assumes Chinese buy in ore from third parties

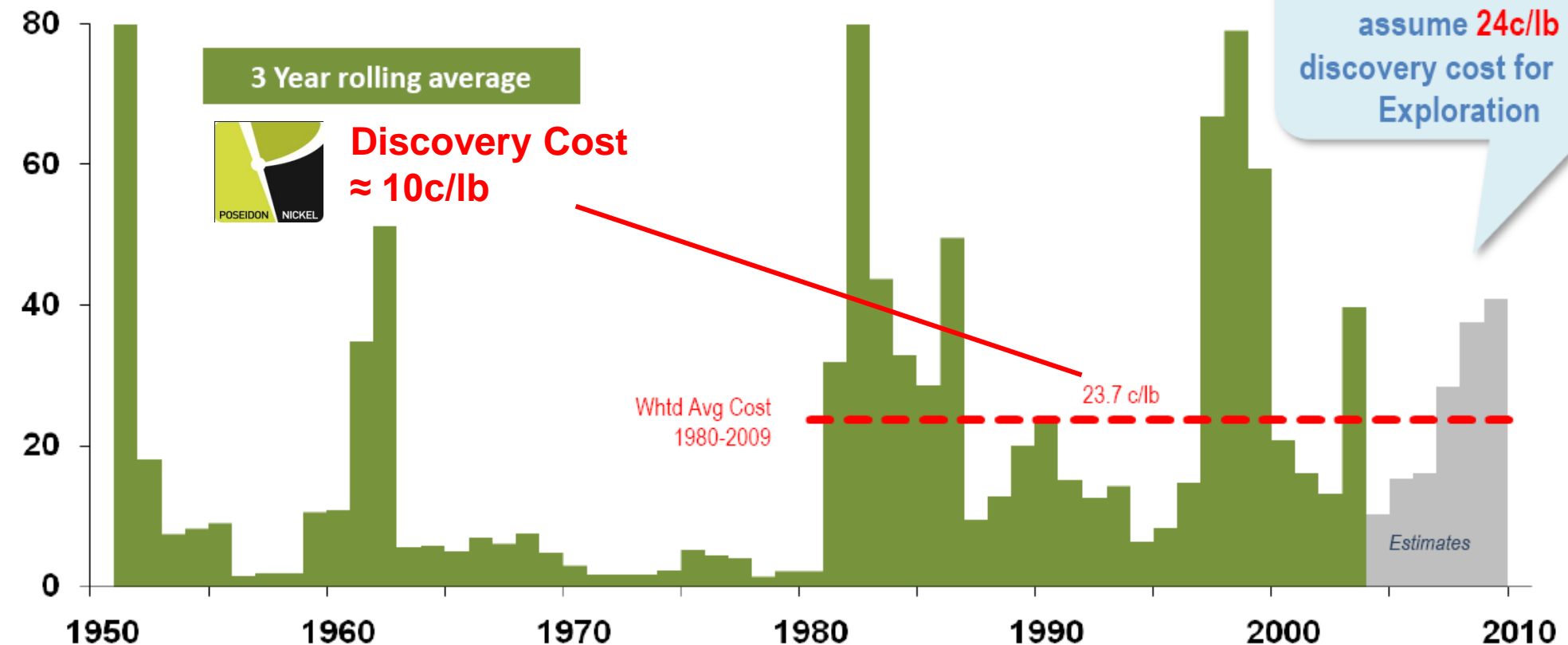
Caution: Indicative numbers only

# Discovery costs for NiS in Western World

Discovery costs are very cyclical

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US Cents per lb Ni in 2010\$



Note: The reported costs exclude credits for by-product metal  
Western World only

Source: MinEx Consulting Aug 2010

# Summary

- 110,000 tonne Nickel Resource
- Mt Windarra and Cerberus to be developed in tandem
- 10,000 T Nickel Output (\$150m p.a.)
- C1 cost \$3.20/lb (payable \$6.70)
- \$150m capital to build (\$60m from Asset Lease finance)
- China Non Ferrous to vendor finance concentrator
- Offtake offers underway



# Competent Person Statement

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	10,300
<b>Cerberus</b>	1.25%	756,360	1.62	12,264	1,092,500	2.35	25,707	1,848,816	2.05	37,970
<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>110,470</b>

**Note:** The information in this report relates to Exploration Results and Mineral Resources based on information compiled by Mr N Hutchison, General Manager of Geology at Poseidon Nickel, 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 reviewed and does not accept responsibility for the accuracy or adequacy of this release.



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# Resolution 1

## Adoption of Remuneration Report

<b>FOR:</b>	
<b>CHAIRMAN'S DISCRETION SHAREHOLDER</b>	<b>- 33,606,774</b>
<b><u>TOTAL FOR</u></b>	<b><u>33,606,774</u></b>
<b>AGAINST</b>	<b>1,398,117</b>
<b>ABSTAIN</b>	<b>11,232,361</b>
<b>PROXY DISCRETION</b>	<b>13,500</b>



# Resolution 2

## Re-Election of Mr Richard Monti

<b>FOR:</b>	
<b>CHAIRMAN'S DISCRETION SHAREHOLDER</b>	<b>2,083,128 43,778,737</b>
<b><u>TOTAL FOR</u></b>	<b><u>45,861,865</u></b>
<b>AGAINST</b>	<b>303,345</b>
<b>ABSTAIN</b>	<b>85,542</b>
<b>PROXY DISCRETION</b>	<b>-</b>

# Resolution 3

## Re-Election of Mr Christopher Indermaur

<b>FOR:</b>	
<b>CHAIRMAN'S DISCRETION</b>	<b>2,102,128</b>
<b>SHAREHOLDER</b>	<b>43,772,711</b>
<b><u>TOTAL FOR</u></b>	<b><u>45,874,839</u></b>
<b>AGAINST</b>	<b>305,275</b>
<b>ABSTAIN</b>	<b>70,638</b>
<b>PROXY DISCRETION</b>	<b>-</b>

# Resolution 4

## Adoption of Director Share Plan

<b>FOR:</b>	
<b>CHAIRMAN'S DISCRETION</b>	<b>1,597,261</b>
<b>SHAREHOLDER</b>	<b>32,468,651</b>
<b><u>TOTAL FOR</u></b>	<b><u>34,065,912</u></b>
<b>AGAINST</b>	<b>1,612,103</b>
<b>ABSTAIN</b>	<b>10,559,237</b>
<b>PROXY DISCRETION</b>	<b>13,500</b>



# Resolution 5

## Issue of Shares to Mr Richard Monti

<b>FOR:</b>	
<b>CHAIRMAN'S DISCRETION</b>	<b>1,586,261</b>
<b>SHAREHOLDER</b>	<b>40,896,285</b>
<b><u>TOTAL FOR</u></b>	<b><u>42,482,546</u></b>
<b>AGAINST</b>	<b>1,669,278</b>
<b>ABSTAIN</b>	<b>2,085,428</b>
<b>PROXY DISCRETION</b>	<b>13,500</b>

# Resolution 6

## Issue of Shares to Mr Andrew Forrest

<b>FOR:</b>	
<b>CHAIRMAN'S DISCRETION</b>	<b>1,586,261</b>
<b>SHAREHOLDER</b>	<b>37,021,781</b>
<b><u>TOTAL FOR</u></b>	<b><u>38,608,042</u></b>
<b>AGAINST</b>	<b>1,524,464</b>
<b>ABSTAIN</b>	<b>6,104,746</b>
<b>PROXY DISCRETION</b>	<b>13,500</b>

# Resolution 7

## Issue of Shares to Mr Geoff Brayshaw

<b>FOR:</b>	
<b>CHAIRMAN'S DISCRETION</b>	<b>1,586,261</b>
<b>SHAREHOLDER</b>	<b>41,081,969</b>
<b><u>TOTAL FOR</u></b>	<b><u>42,668,230</u></b>
<b>AGAINST</b>	<b>1,638,203</b>
<b>ABSTAIN</b>	<b>1,930,819</b>
<b>PROXY DISCRETION</b>	<b>13,500</b>



# Resolution 8

## Issue of Shares to Mr Christopher Indermaur

<b>FOR:</b>	
<b>CHAIRMAN'S DISCRETION</b>	<b>1,586,261</b>
<b>SHAREHOLDER</b>	<b>41,809,607</b>
<b><u>TOTAL FOR</u></b>	<b><u>43,395,868</u></b>
<b>AGAINST</b>	<b>1,478,828</b>
<b>ABSTAIN</b>	<b>1,362,556</b>
<b>PROXY DISCRETION</b>	<b>13,500</b>

# Resolution 9

## Issue of Bonus Shares to Mr David Singleton

<b>FOR:</b>	
<b>CHAIRMAN'S DISCRETION</b>	<b>1,586,261</b>
<b>SHAREHOLDER</b>	<b>39,870,327</b>
<b><u>TOTAL FOR</u></b>	<b><u>41,456,588</u></b>
<b>AGAINST</b>	<b>1,545,203</b>
<b>ABSTAIN</b>	<b>3,235,461</b>
<b>PROXY DISCRETION</b>	<b>13,500</b>

# Resolution 10

## Cancellation of Partly Paid Shares

<b>FOR:</b>	
<b>CHAIRMAN'S DISCRETION</b>	<b>2,154,063</b>
<b>SHAREHOLDER</b>	<b>43,115,571</b>
<b><u>TOTAL FOR</u></b>	<b><u>45,269,634</u></b>
<b>AGAINST</b>	<b>662,130</b>
<b>ABSTAIN</b>	<b>318,988</b>
<b>PROXY DISCRETION</b>	<b>-</b>

# Resolution 11

## Cancellation of Amount Called but unpaid on Partly Paid Shares

<b>FOR:</b>	
<b>CHAIRMAN'S DISCRETION</b>	<b>2,169,113</b>
<b>SHAREHOLDER</b>	<b>42,752,805</b>
<b><u>TOTAL FOR</u></b>	<b><u>44,921,918</u></b>
<b>AGAINST</b>	<b>817,846</b>
<b>ABSTAIN</b>	<b>510,988</b>
<b>PROXY DISCRETION</b>	<b>-</b>





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