



Over The Horizon

Pay Dirt Nickel Conference, Perth, WA

Michael Rodriguez, COO
October 2016

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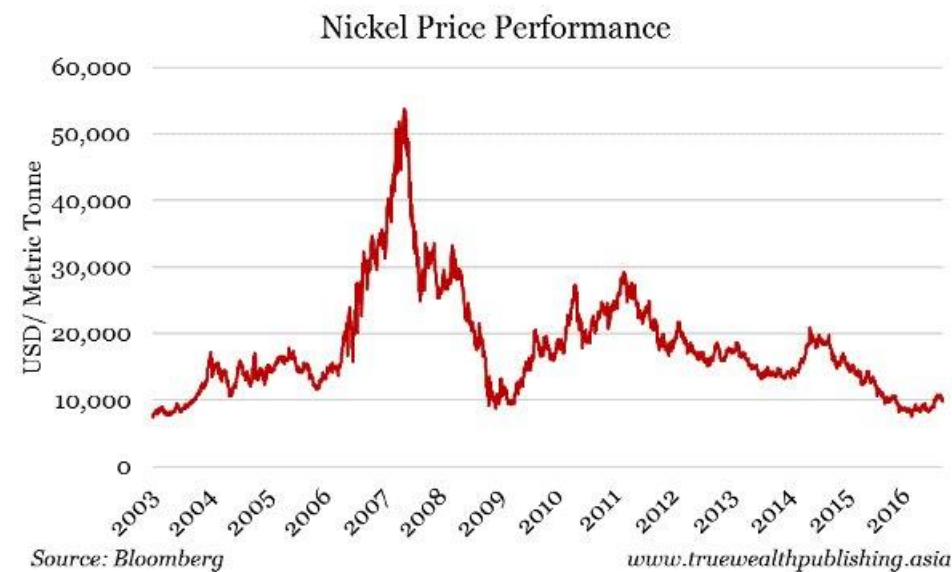
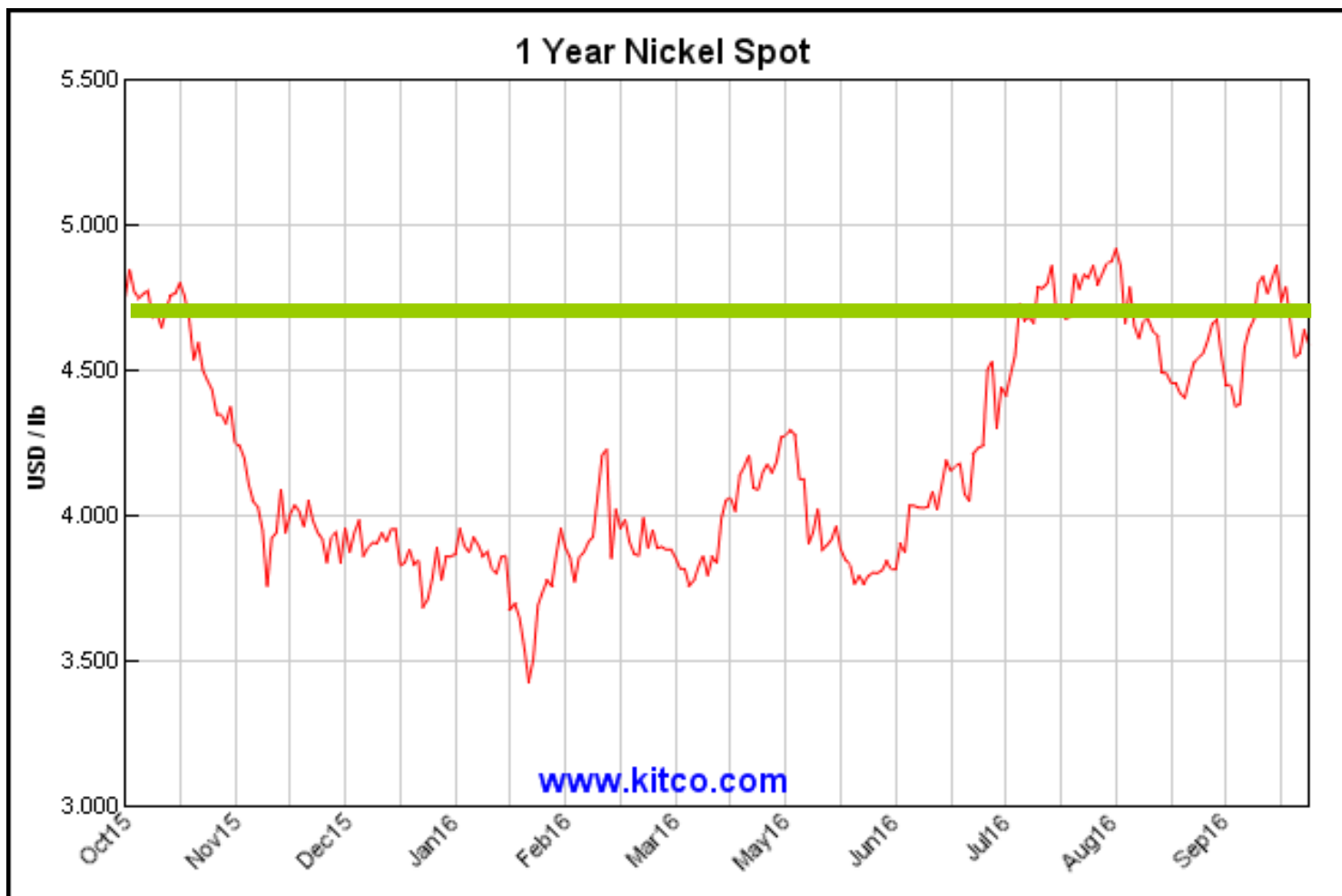


Back to the Future

Nickel Pricing - Same Today as it was 12 Months Ago

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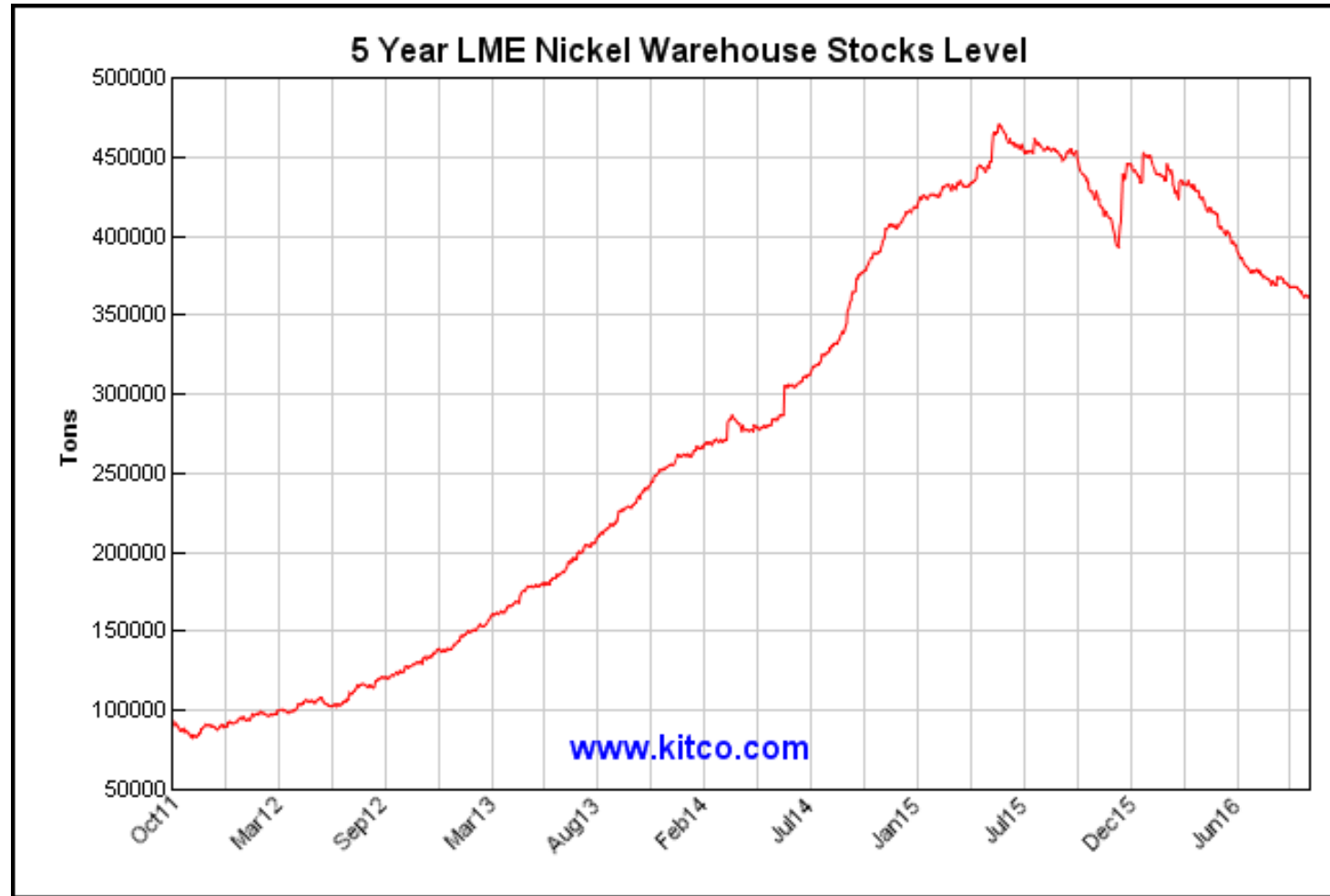
NICKEL



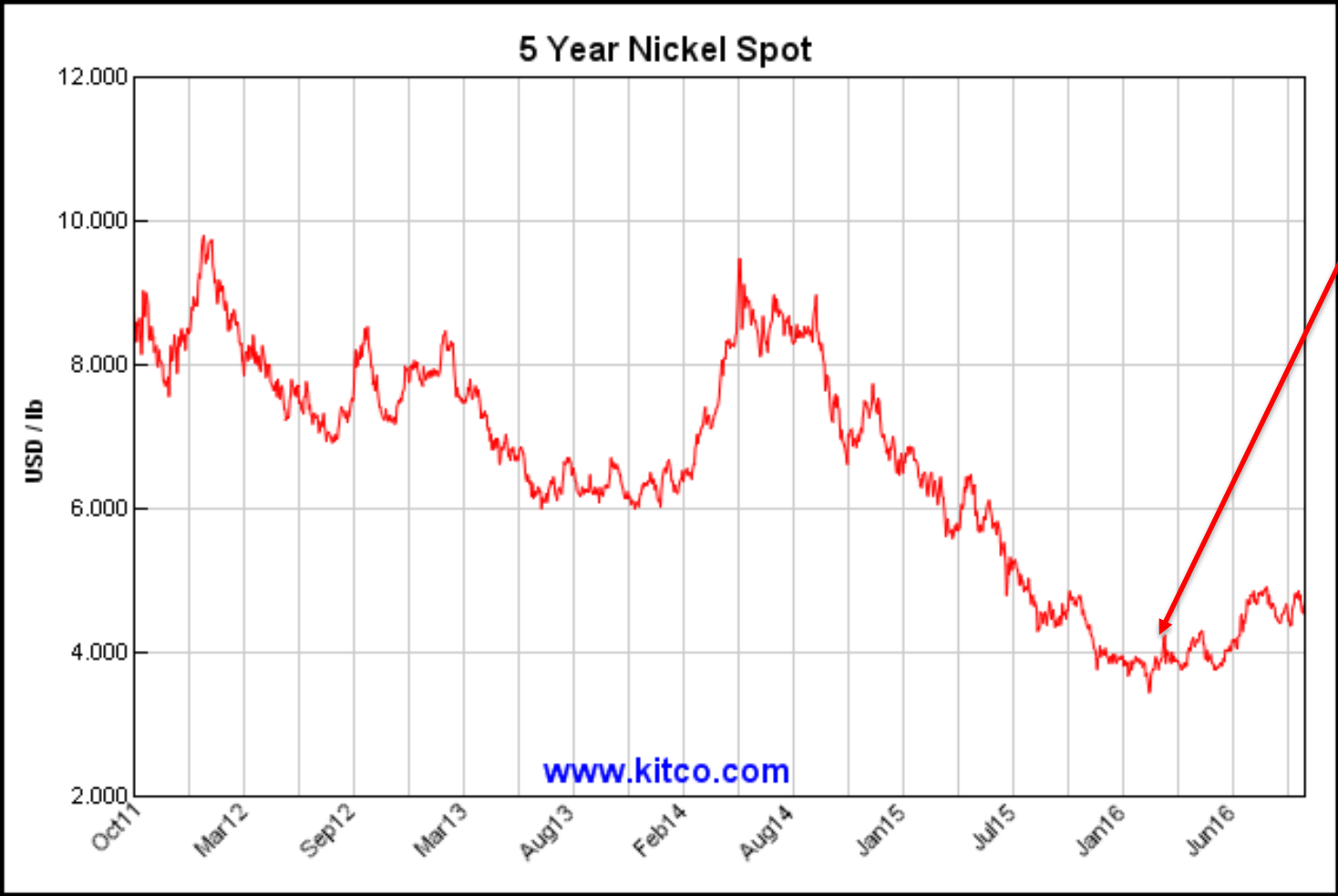
The nickel price is essentially flat in the past year

Nickel Stocks Remain Stubbornly High

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Nickel 5 Years in Decline



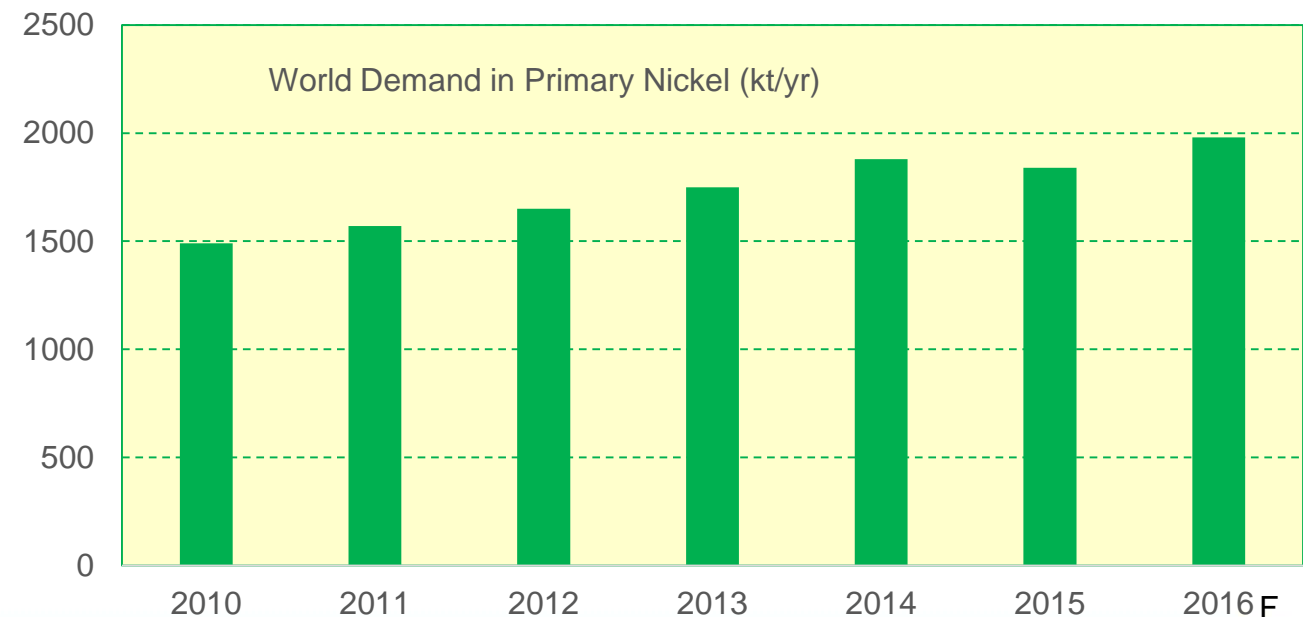
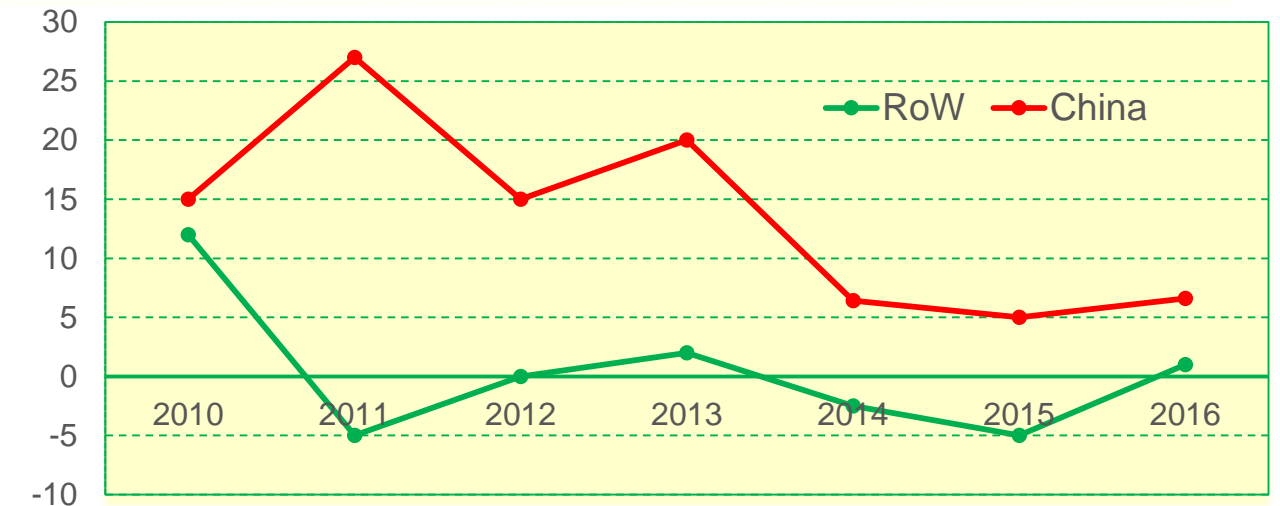
Commodity low Feb 2016



Global Nickel Market Growth YoY (%) & Demand

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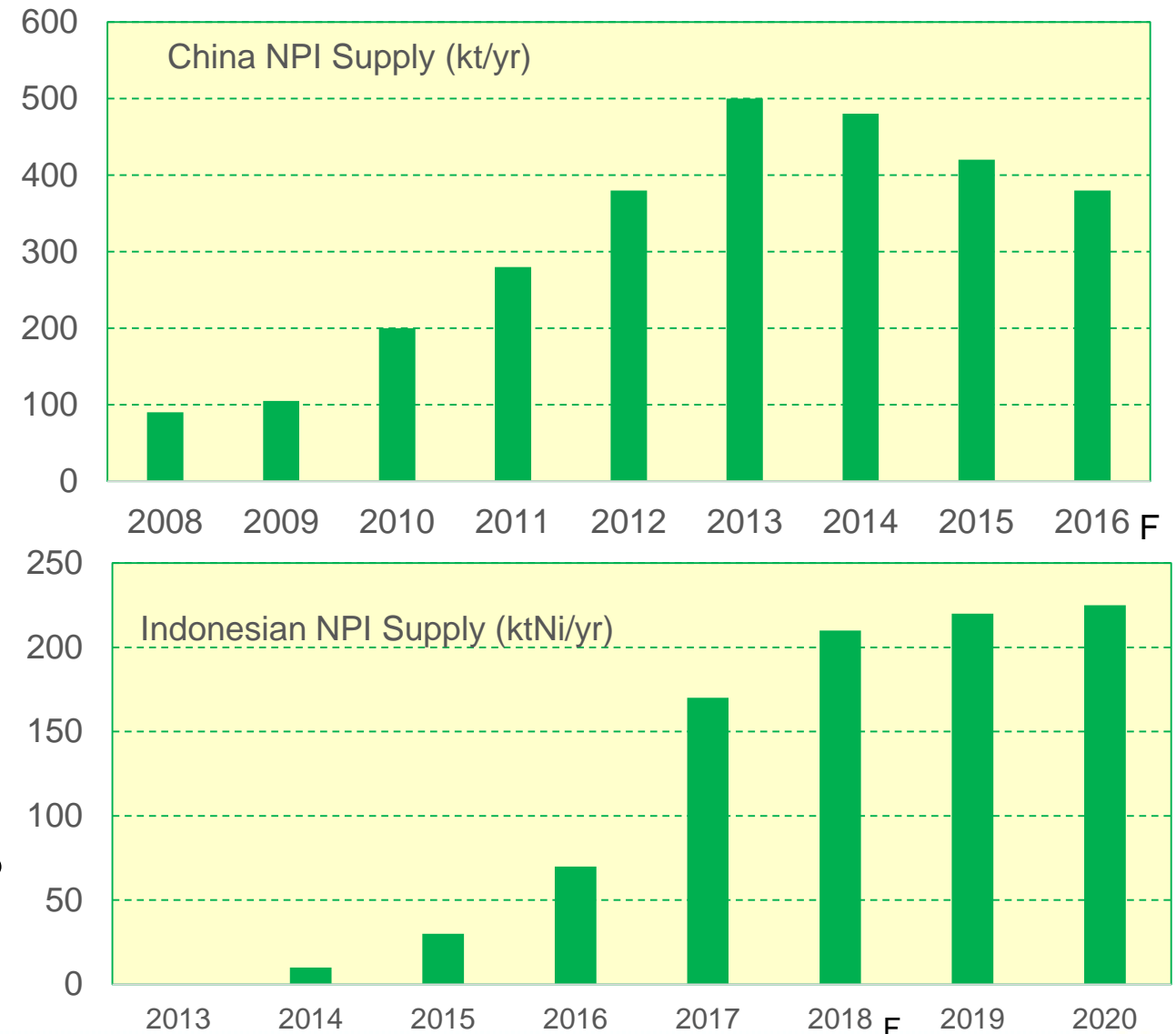
- Post GFC global stimulus drives growth
- Primary nickel consumption increasing
- Long term growth average circa 4% YoY
- China remains key market driver >40%
- 2016 forecast consumption 2M tonnes
- Strong growth in battery market EV
- Europe modest improvement in growth
- China stainless steel growth 7% YoY
- Scrap availability tight
- US oil & gas improved stability
- Supply demand balance shifting?



NPI Production Transitioning

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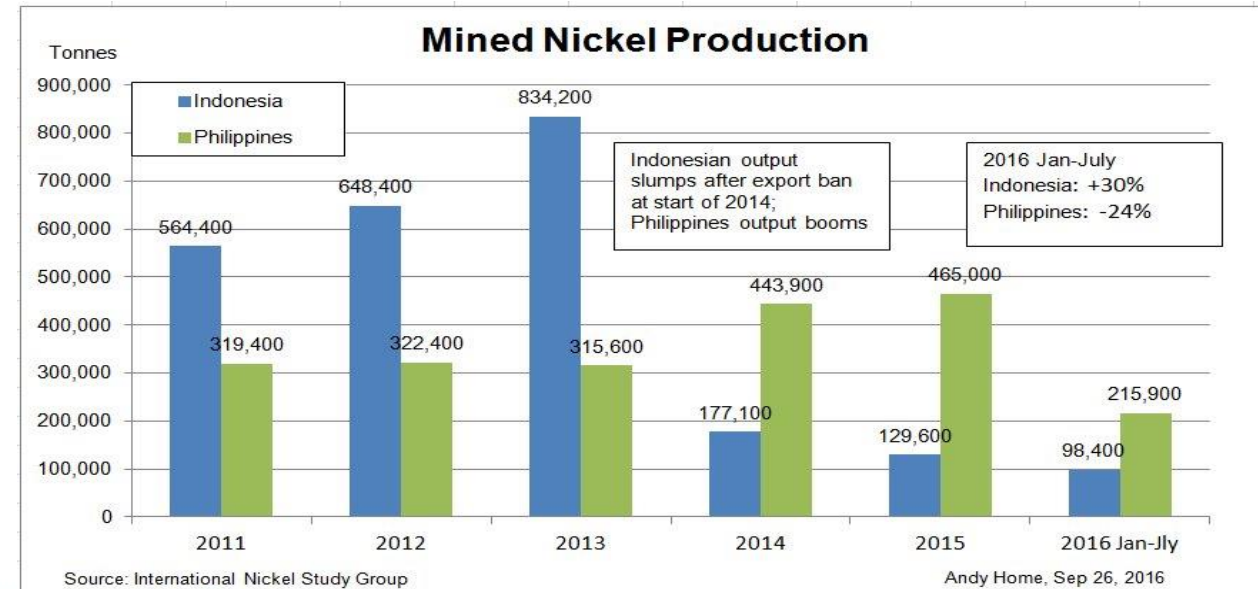
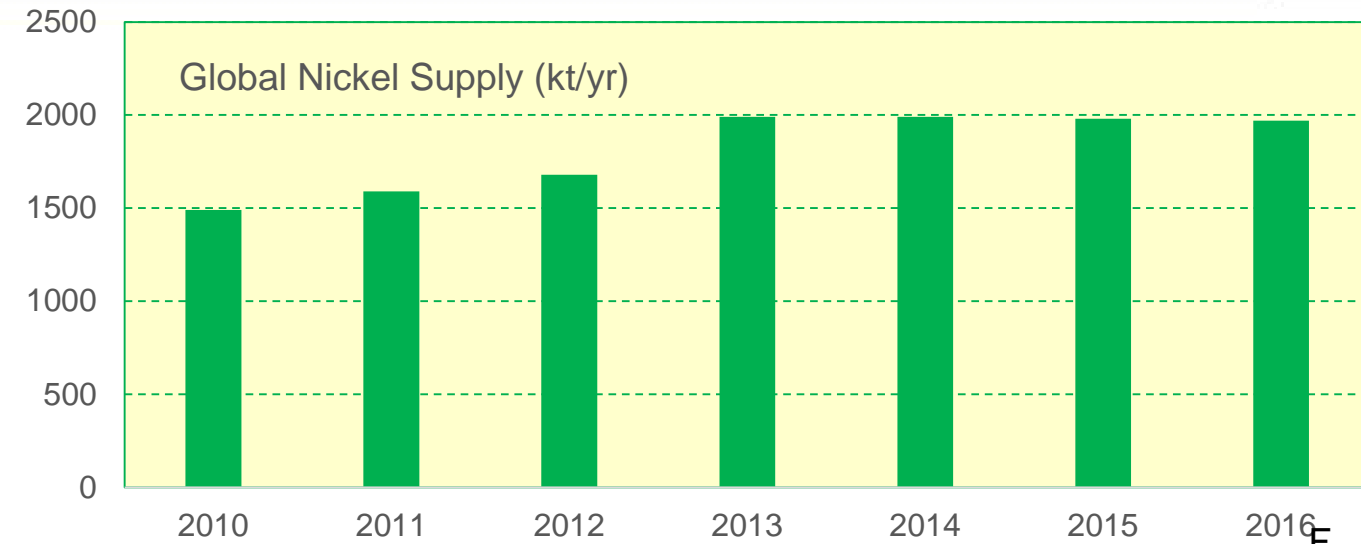
- Indonesia bans export of ore 2014
- Capital investment in Indonesia
- Philippines ramps up DSO
- Chinese NPI producers adopt blending
- Chinese stockpiled ore falling
- China NPI production slowing?
- Indonesian NPI production increasing
- NPI production costs falling
- Structural change in nickel pricing?
- Indonesian ore export resumption?
- Globalisation can the WA industry survive?
- Nickel supply demand uncertainty



Global Nickel Production in Decline?

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- Nickel demand increasing YoY
- Indonesian DSO ceased
- China NPI production slows
- Lower prices force mine closures
- Philippines creating supply volatility
- Existing producers supply disruptions
- 70% of worlds nickel is loss making?
- Structural change in nickel pricing?
- Where is the pipeline of projects?
- Indonesian ore export resumption?
- Future of WA nickel industry?
- Looming supply shortfall 100kt & increasing?



Green Shoots – Bouncing off the Bottom?

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“Our view is we hit bottom around February of this year however we expect volatility in the nickel market to continue for the next 12 months.”



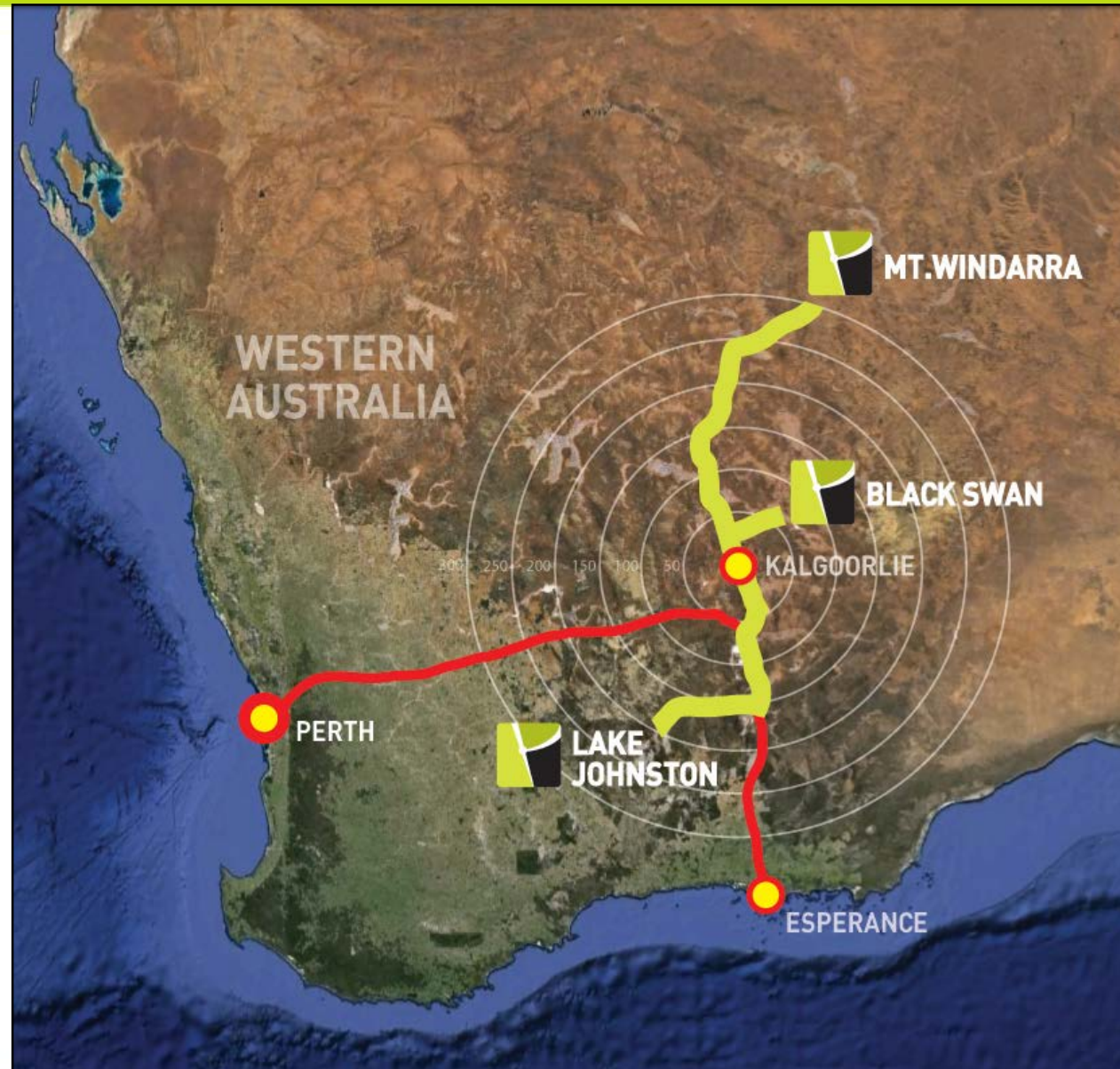


Our Journey

Projects within 300kms radius from Australia's Major Nickel Region

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6 Mines & 2 process plants in Western Australia

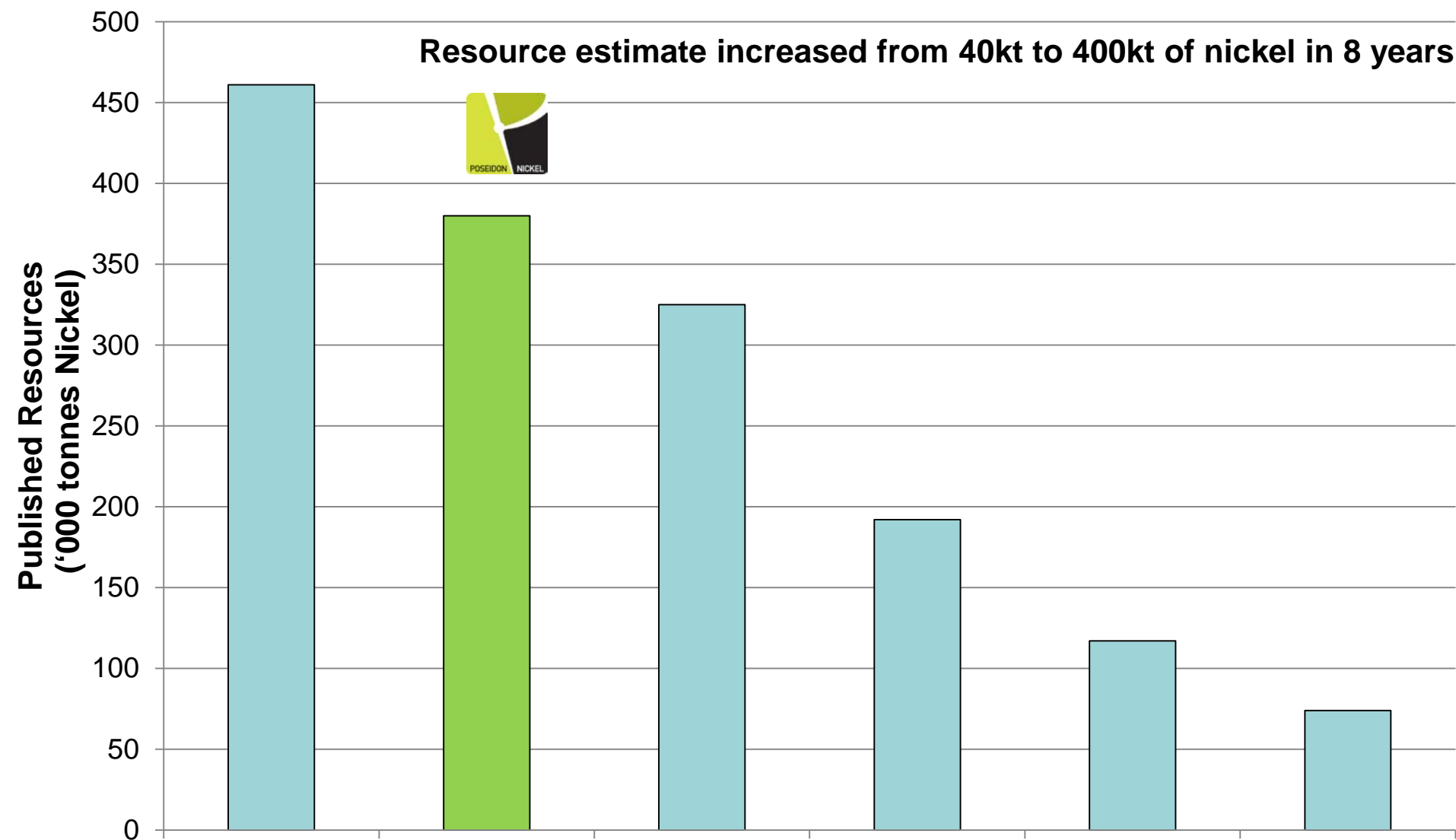
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- **Black Swan Nickel Project**
 - Black Swan open pit future development
 - Silver Swan underground restart priority
 - Seeking to toll treat gold via process plant
- **Lake Johnston Nickel Project**
 - Emily Ann North & Abi Rose exploration
 - Maggie Hays approvals secured
 - Local & regional Li exploration
 - Seeking to establish Li hub
- **Windarra Nickel Project**
 - Historical Windarra nickel mine
 - Terminating State Act (Gold)
 - Newly discovered Cerberus

Poseidon has the second largest published nickel sulphide resource in Australia*



*Australian nickel sulphide producers and developers excluding BHP(B). Data compiled from Deutsche Bank report dated 28.07.14.

Black Swan Operation – Nickel & Gold

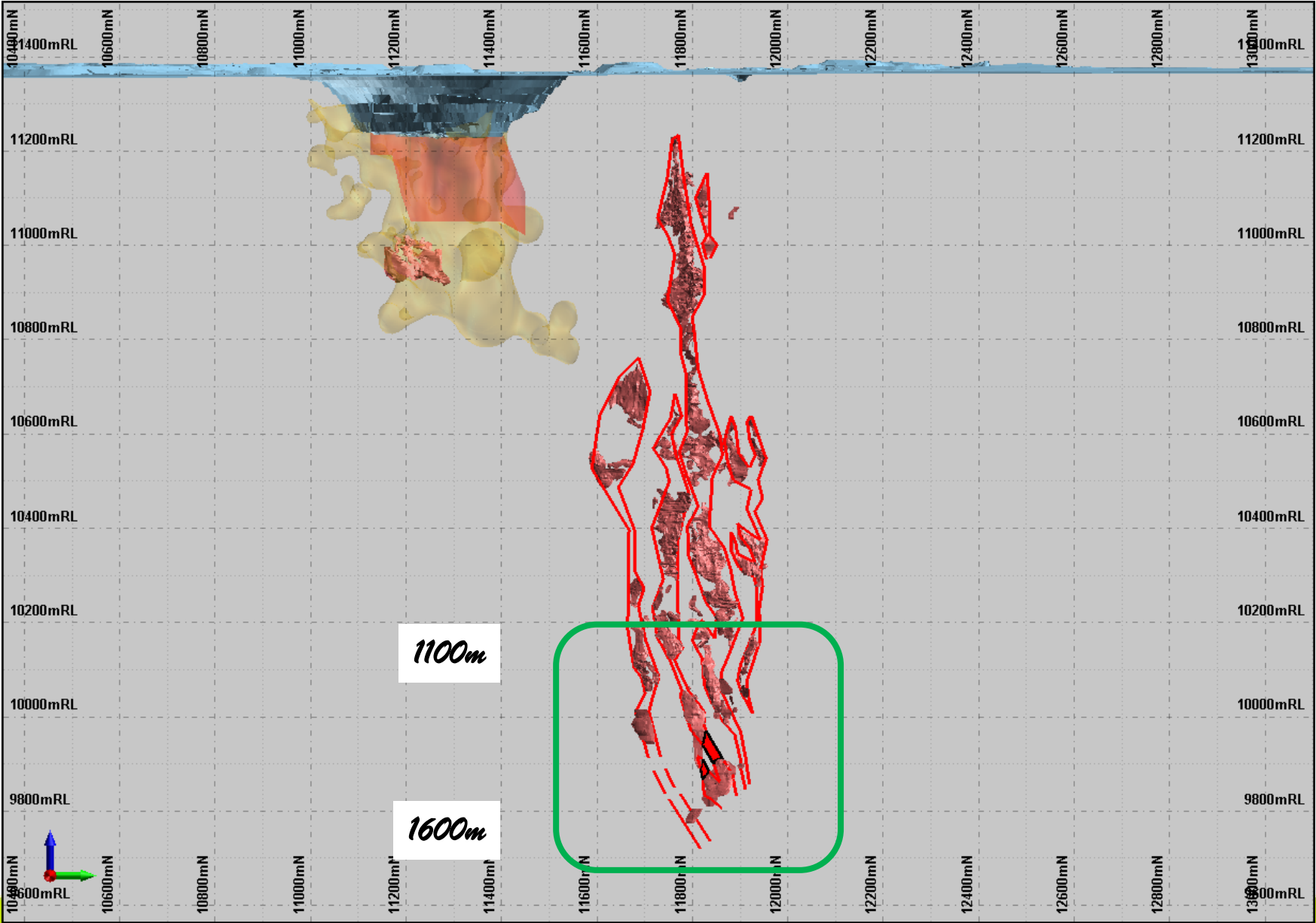
The Black Swan & Silver Swan Plus Process Plant

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Plan to Restart Silver Swan Mine

Worlds Highest Grade Nickel Mine



Silver Swan Resource Upgrade - 2016

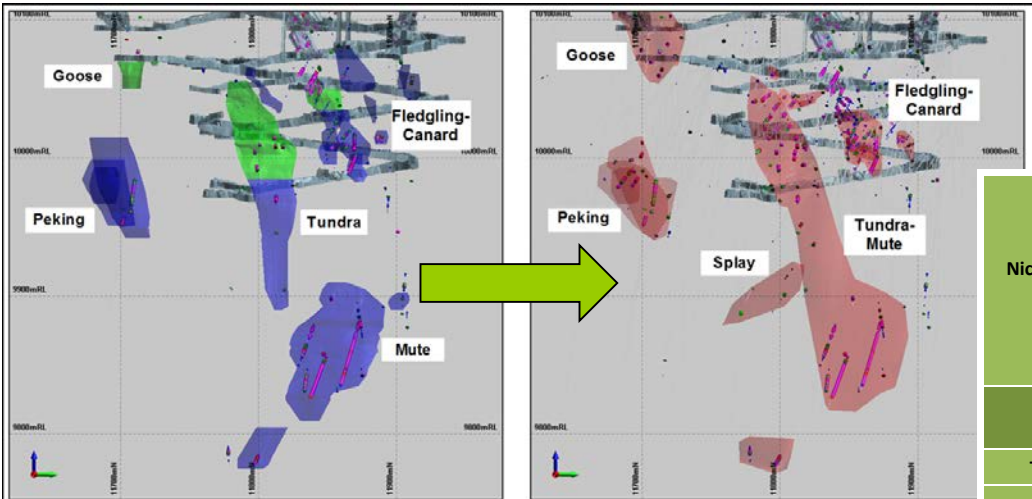


Figure 1: Changes between the September 2015 Model (left) and the May 2016 Model (right) in the Tundra-Mute area

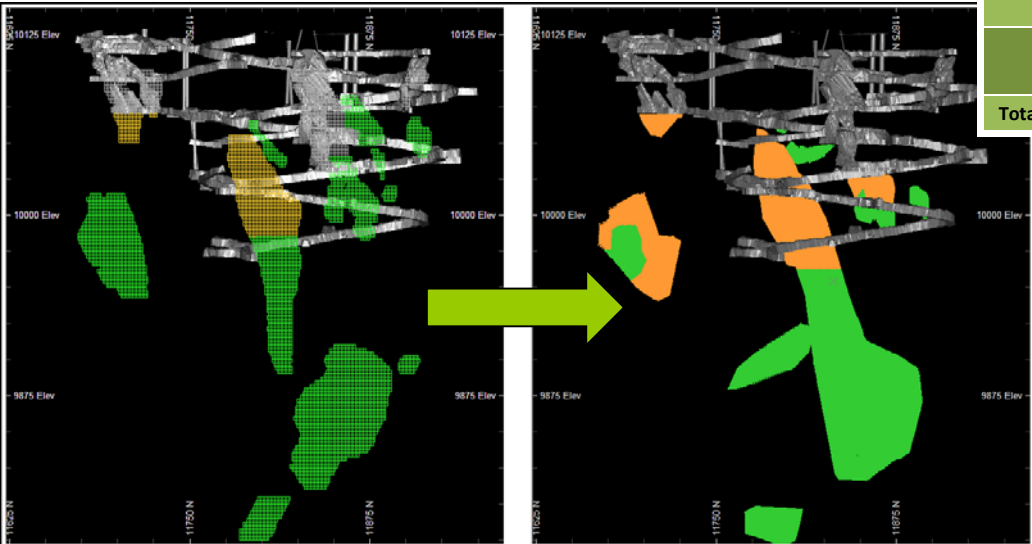


Figure 2: Long section looking west showing previous model (left) compared to the May 2016 Mineral Resource classification (right)

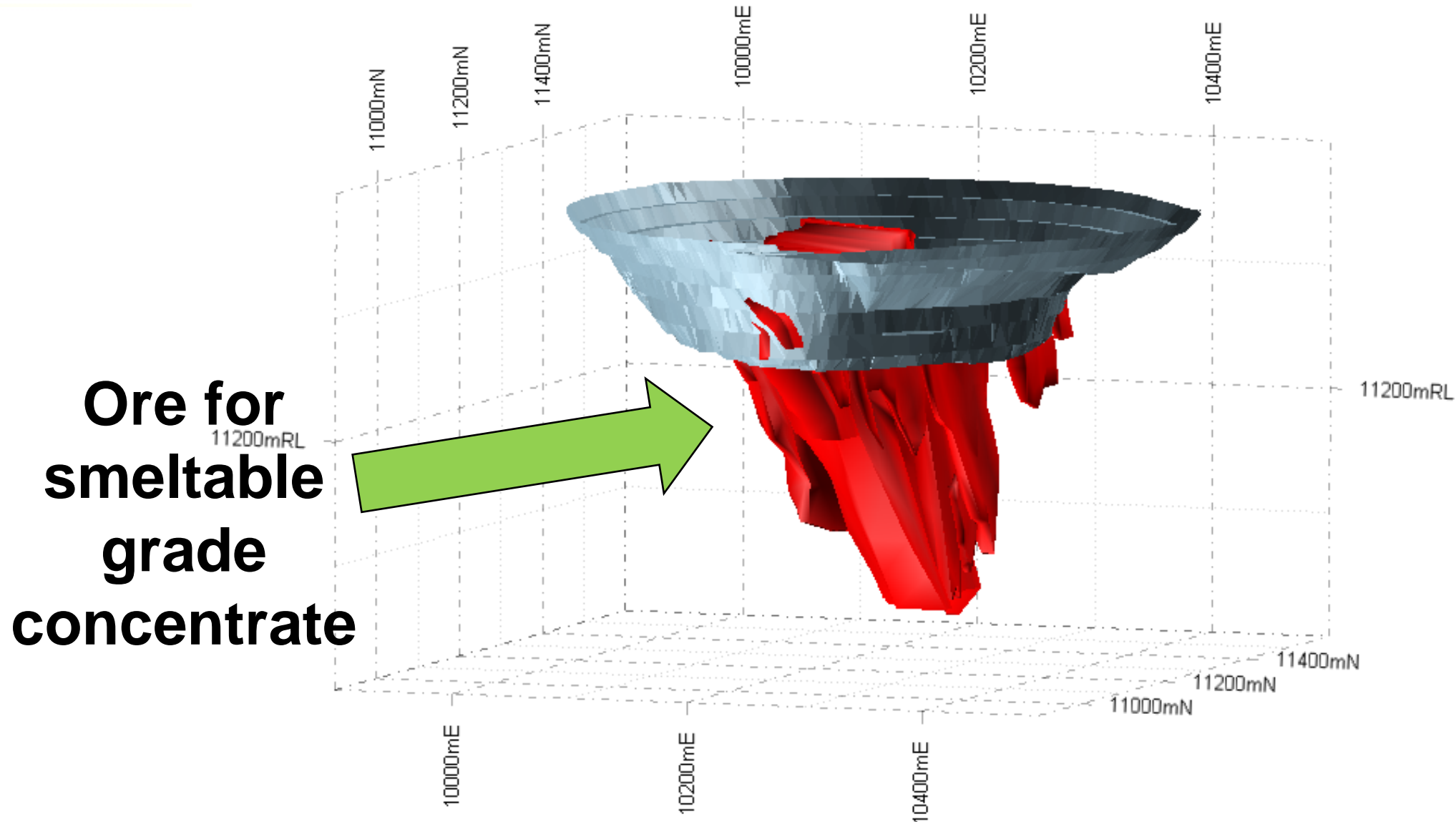
180% Increase in Indicated Resource

Nickel sulphide resource	Mineral Resource category								
	Indicated			Inferred			TOTAL		
	Tonnes (Kt)	Grade Ni (%)	Ni metal (t)	Tonnes (Kt)	Grade Ni (%)	Ni metal (t)	Tonnes (Kt)	Grade Ni (%)	Ni metal (t)
SILVER SWAN PROJECT									
Tundra-Mute	24.0	9.20	2,200	73.3	8.85	6,480	97.2	8.94	8,690
Peking Duck	20.7	8.79	1,820	8.0	10.20	820	28.7	9.18	2,640
Fledgling-Canard	5.8	10.36	600	2.9	9.81	280	8.7	10.18	880
Goose	1.5	10.04	150	-	-	-	1.5	10.04	150
TOTAL									
Total Ni resource	52	9.19	4,800	84	9.01	7,600	136	9.08	12,400

- Existing drill data included
- Updated geological structural model
- New geotechnical model finalised
- Numerical stress modelling completed
- Mining method optimized
- Mine plan progressing
- Ore Reserve in near future

Black Swan pit showing smeltable reserves

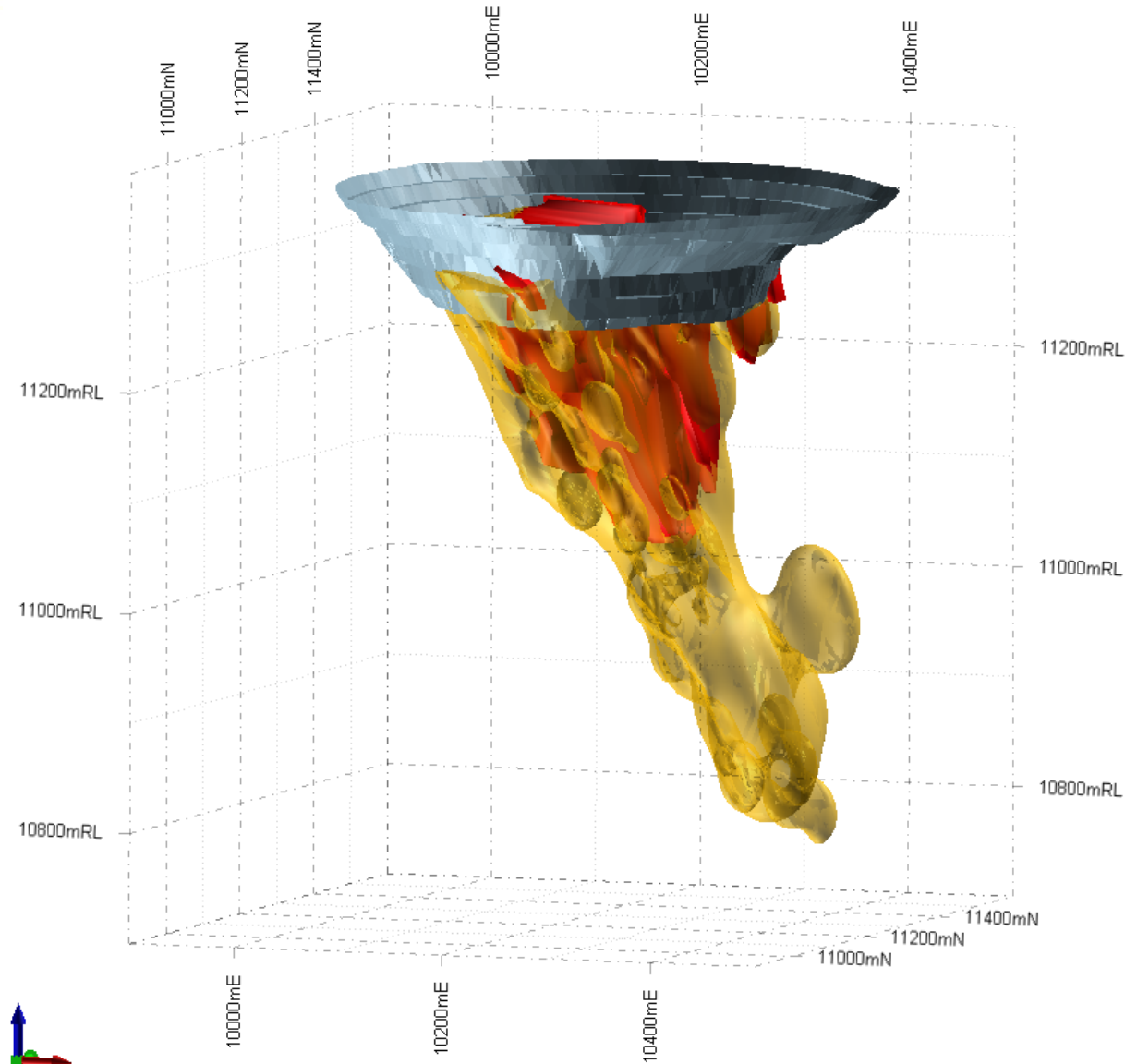
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Black Swan resources available for non-traditional uses

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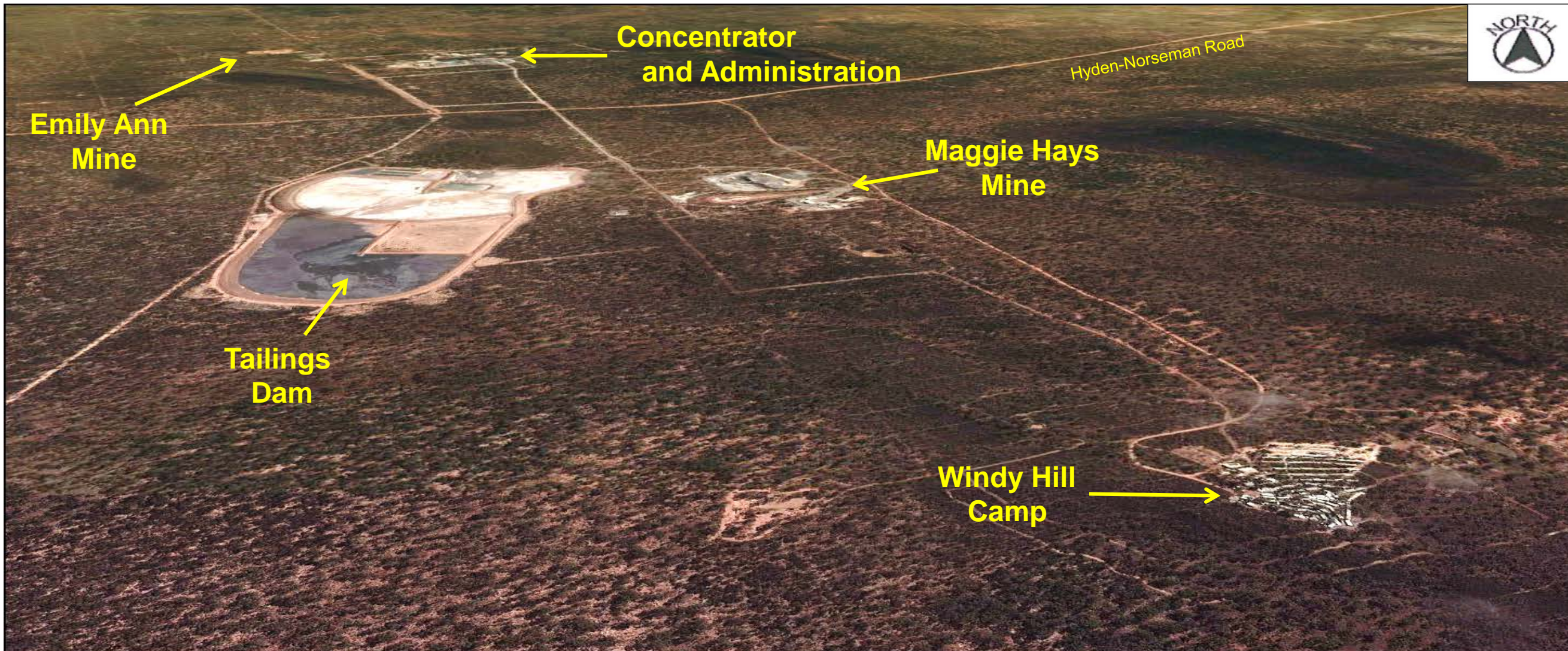


Lake Johnston Operation – Nickel & Lithium

Lake Johnston includes 2 mines, process plant and associated infrastructure

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Lake Johnston Process Plant

Processing capacity of 1.5m tonnes per annum

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**3 stage crushing
circuit operating**

**Grinding Mills
operating**

**Flotation Cells
inspected**

**Concentrate
Filtration &
Storage facilities
tested**

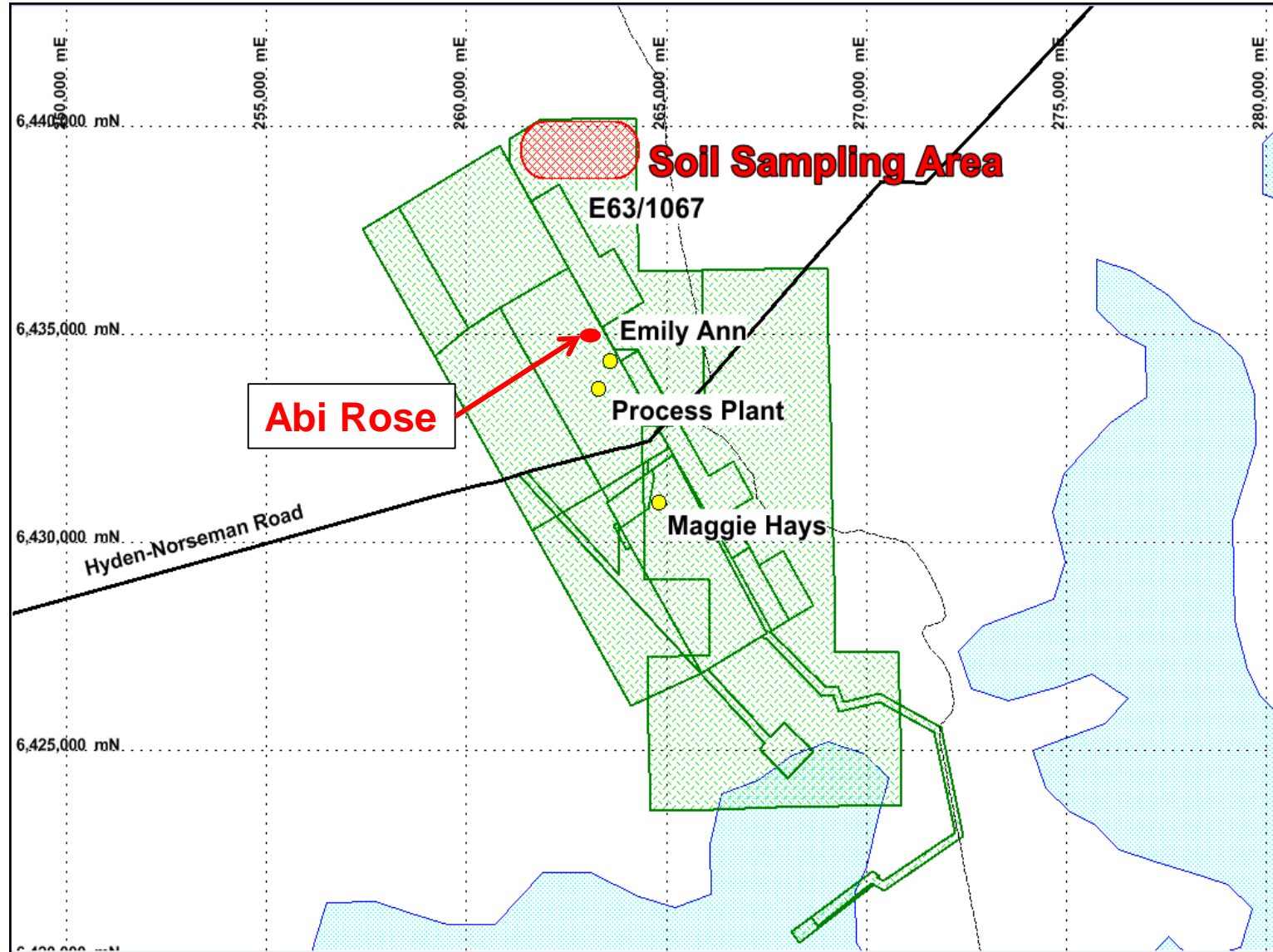
Windy Hill Camp

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Lake Johnston Exploration

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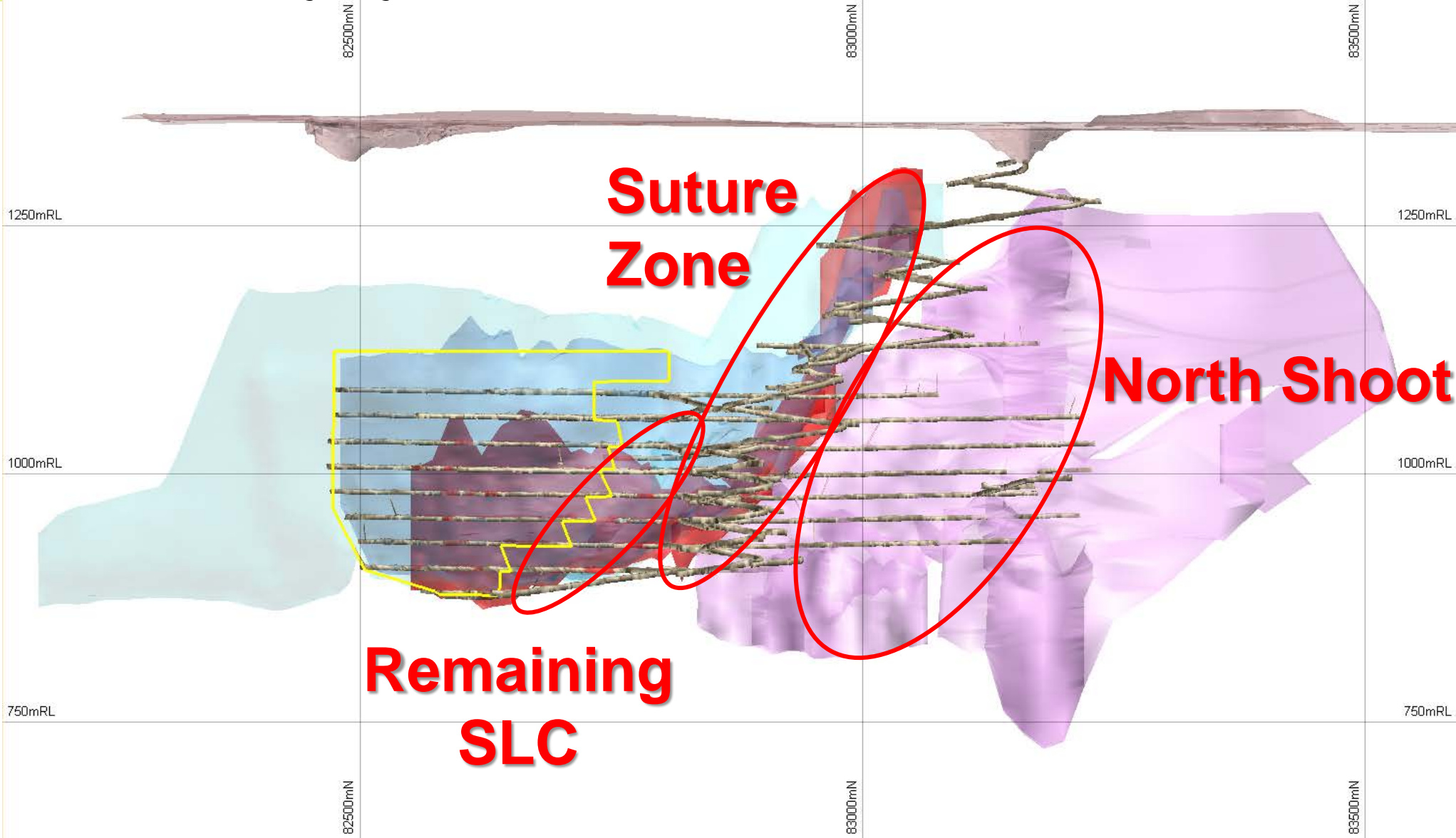


Maggie Hays

Increased Mine Life by 3 years

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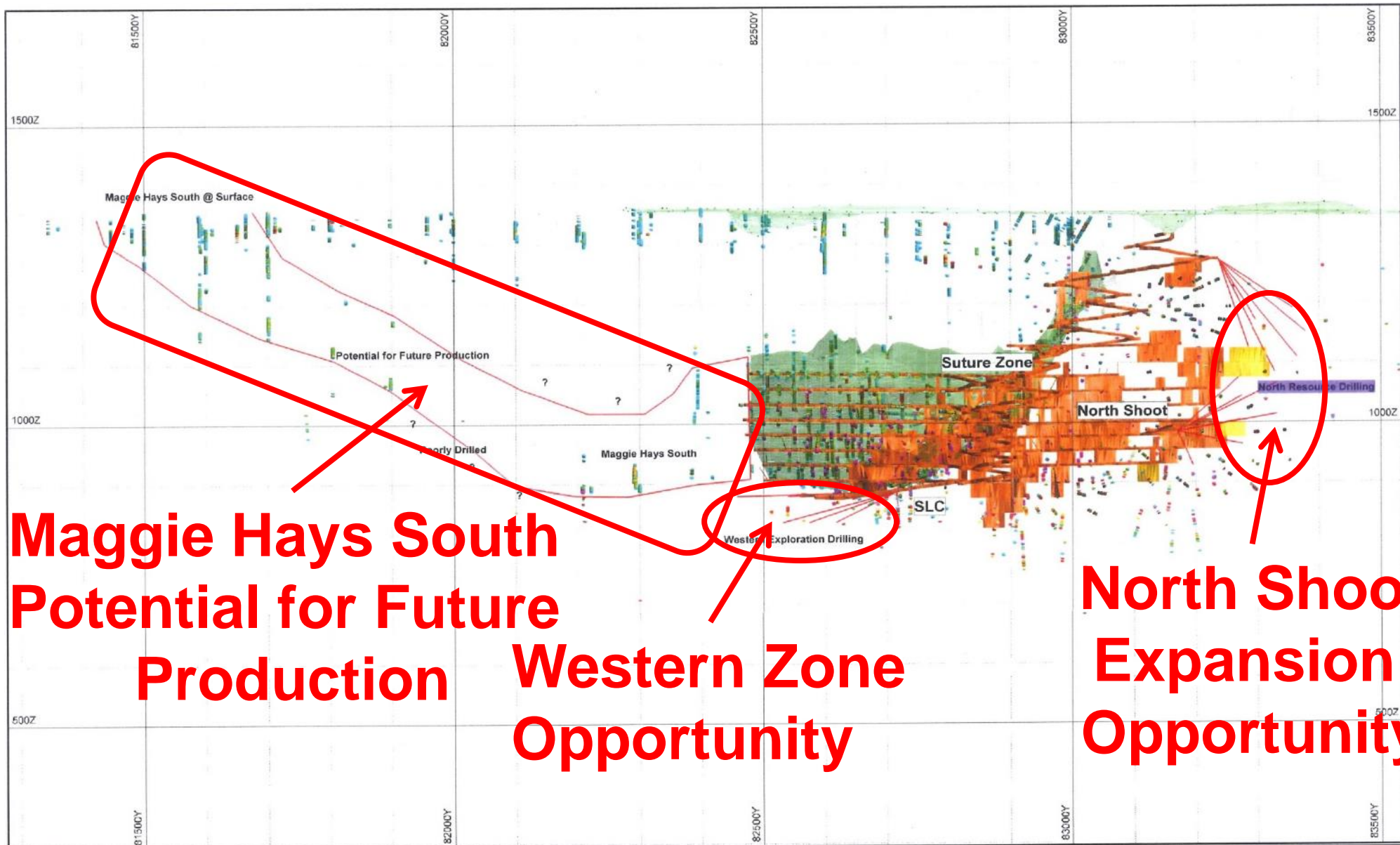


Maggie Hays

Initial resource extension targets

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Abi Rose Discovery Lake Johnston

Preparing for further exploration



The Rivers Run Black:



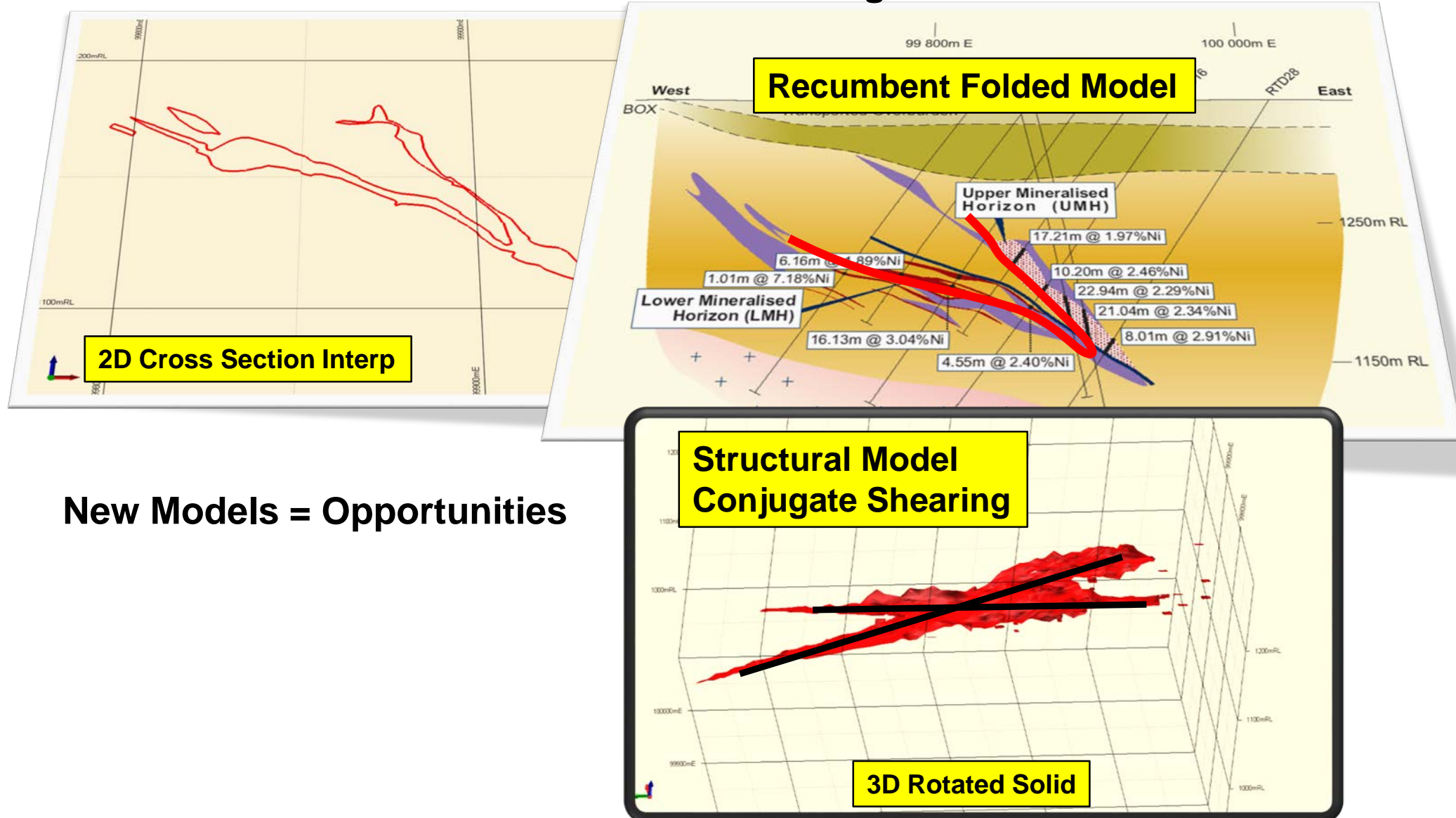
Hole ID	From_m	To_m	Width	Ni Grade	Details
PLJD0001	435.39	435.58	0.19	10.2%	Remobilised massive sulphide in felsics
PLJD0002	432.00	442.48	10.48	3.20%	Felsic, ultramafic and remobilised sulphide in hw & fw
incl	435.69	441.41	5.72	4.66%	Mineralised Ultramafic Interval
incl	439.09	441.41	2.32	7.62%	Lower Massive Zone
incl	440.12	441.41	1.29	10.22%	High Grade base
PLJD0003	446.10	447.23	1.13	3.35%	Massive sulphides in felsics
	446.10	446.36	0.26	8.67%	Remobilised massive sulphides
	449.00	449.62	0.62	1.75%	Stringer and disseminated sulphides



Out with the Old, In with the New

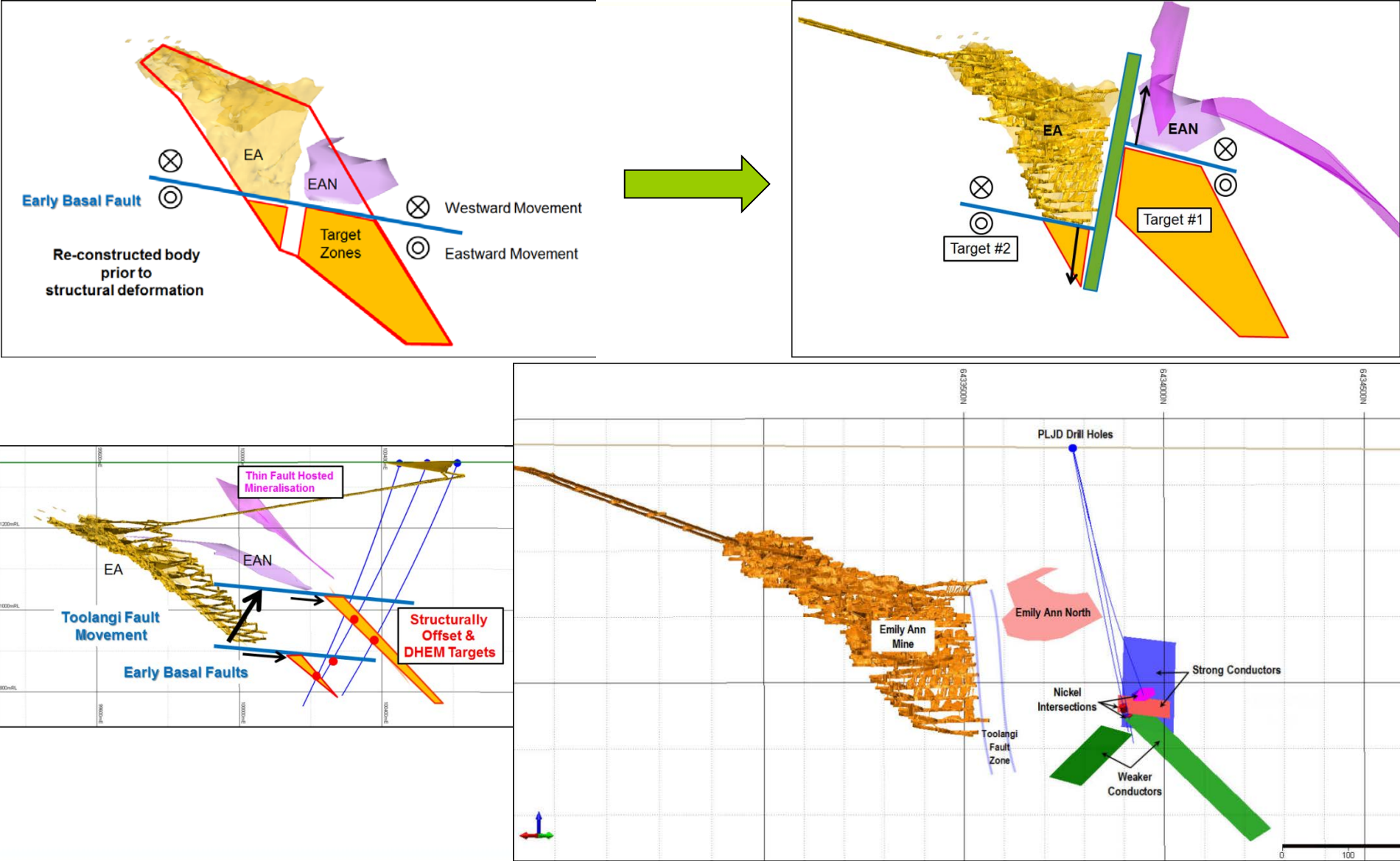
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Old Models = Limited Targets



New Models = Opportunities

From Concept to Reality



Emerging Lithium Opportunity

Establishing a Central Hub

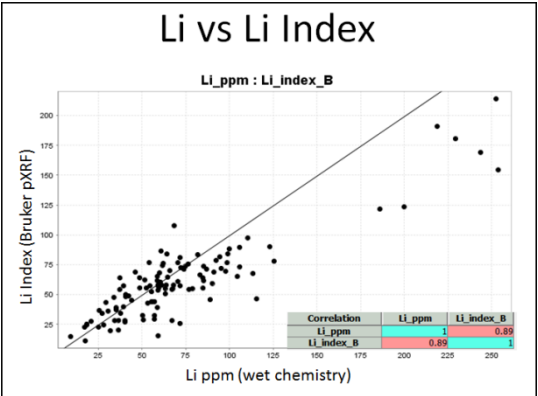
Geochemistry Leads to Pegmatite Outcrops

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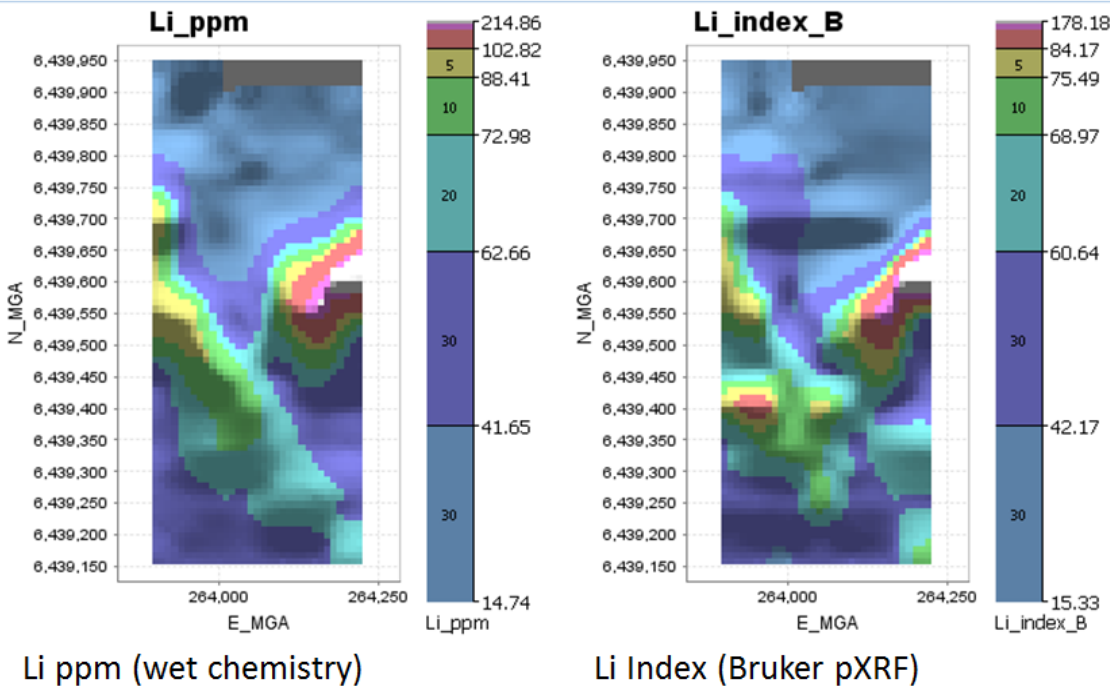
Local Regional Lithium Opportunity



89% Correlation



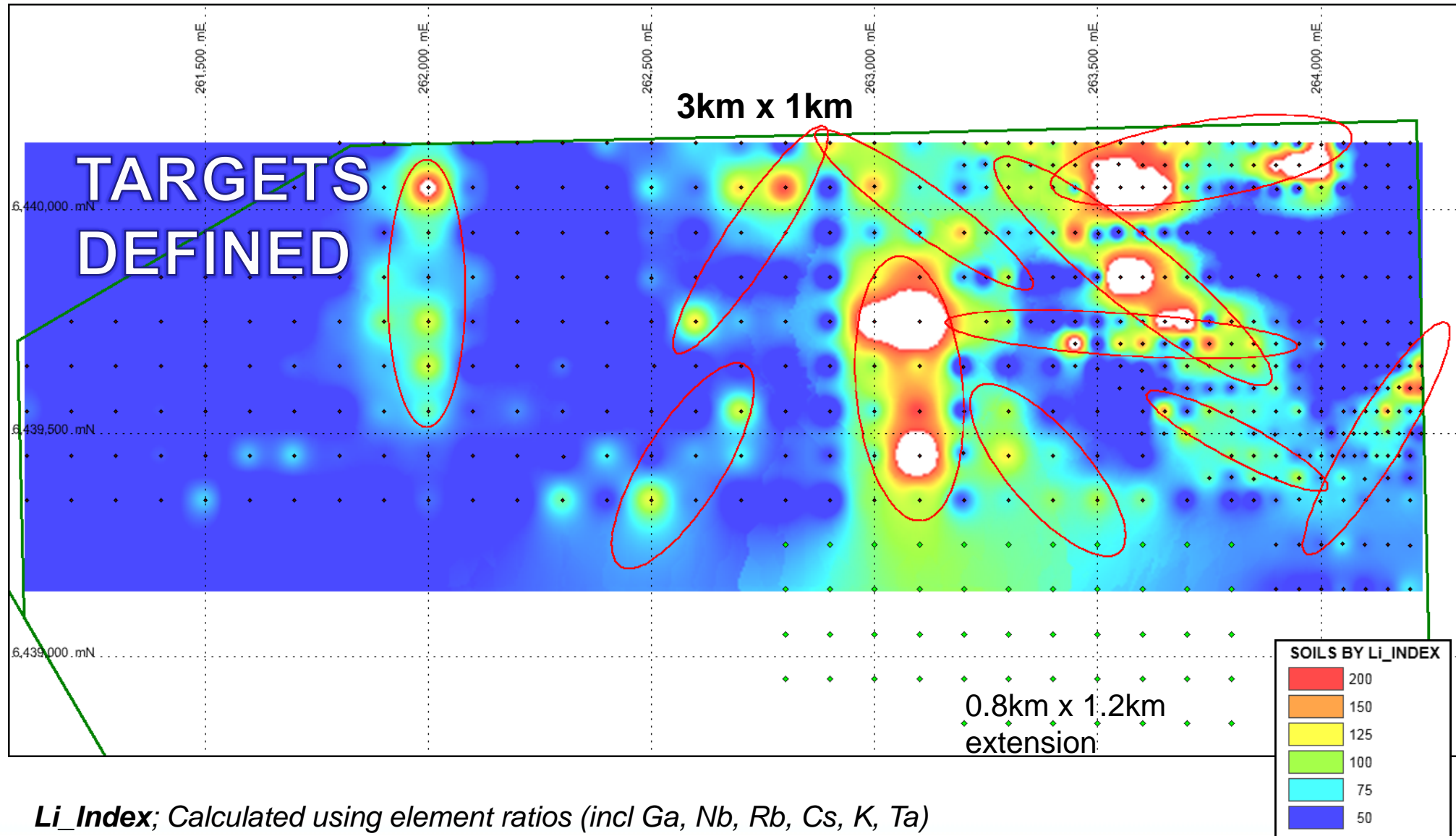
Lithium images



Based on the initial samples that were
dispatched to Intertek (n = 116)

Outstanding Geochemistry Results

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Windarra Nickel Project

Mt Windarra - Operational Site

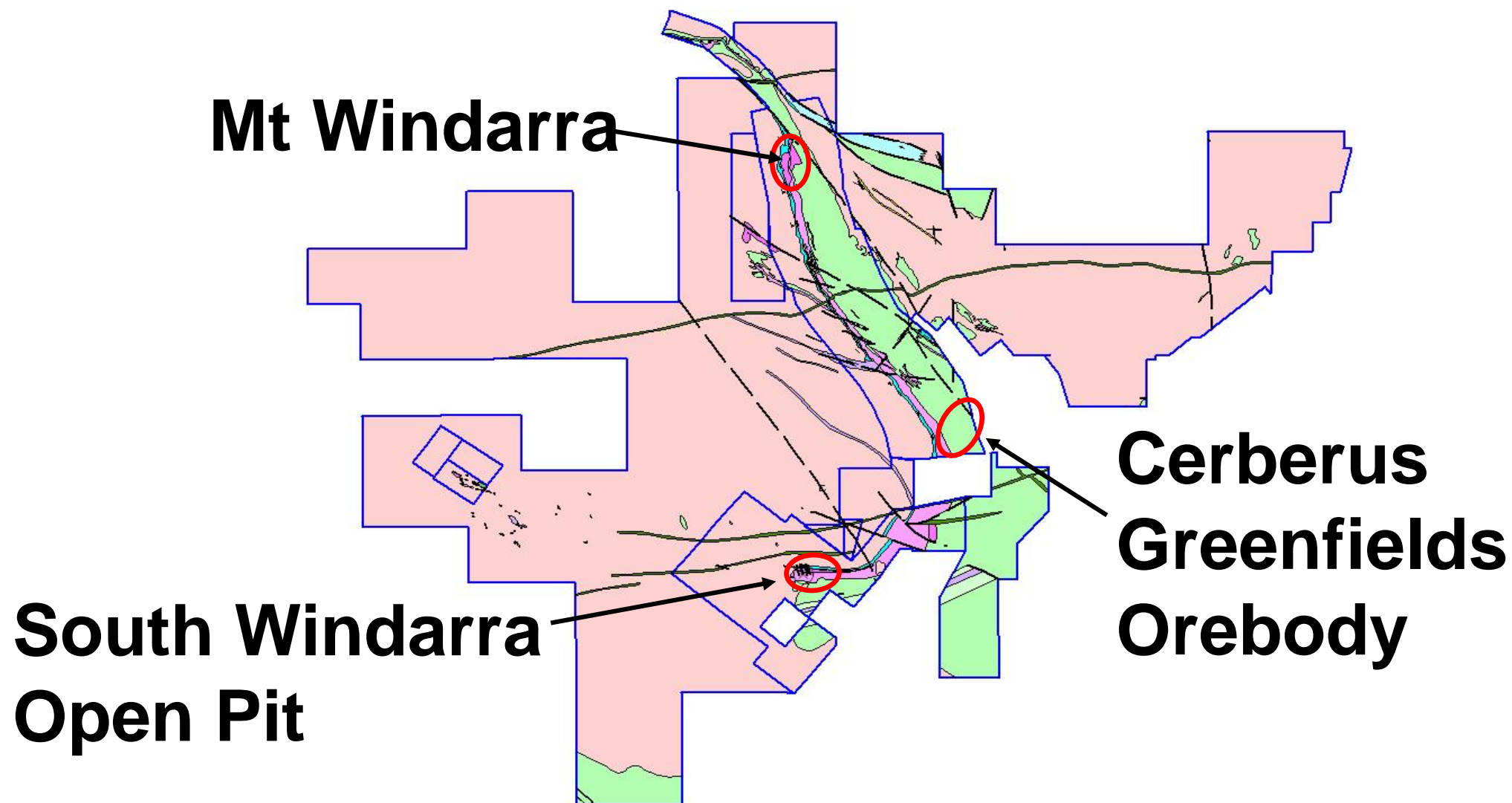
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Development of the Windarra Project

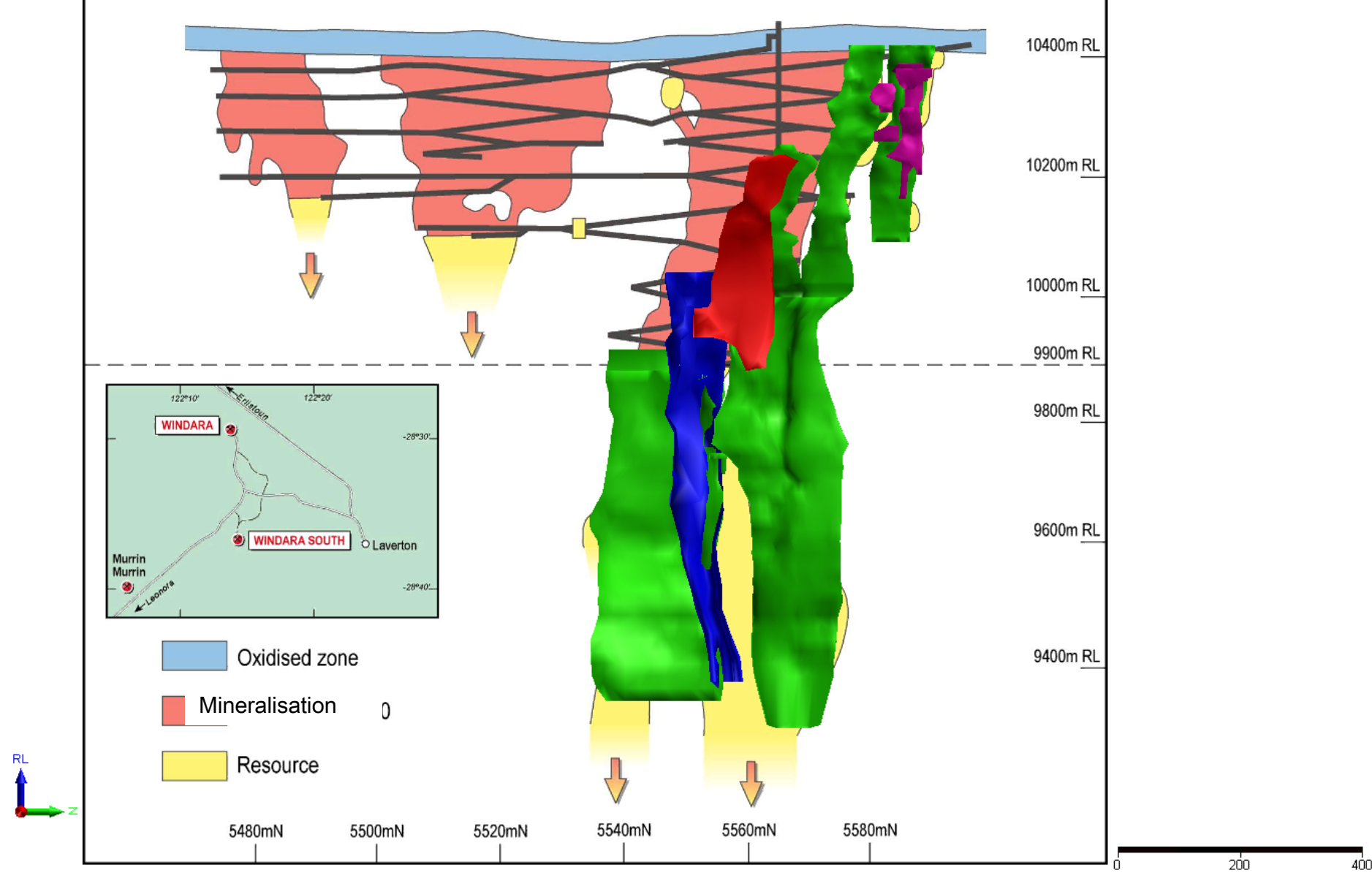
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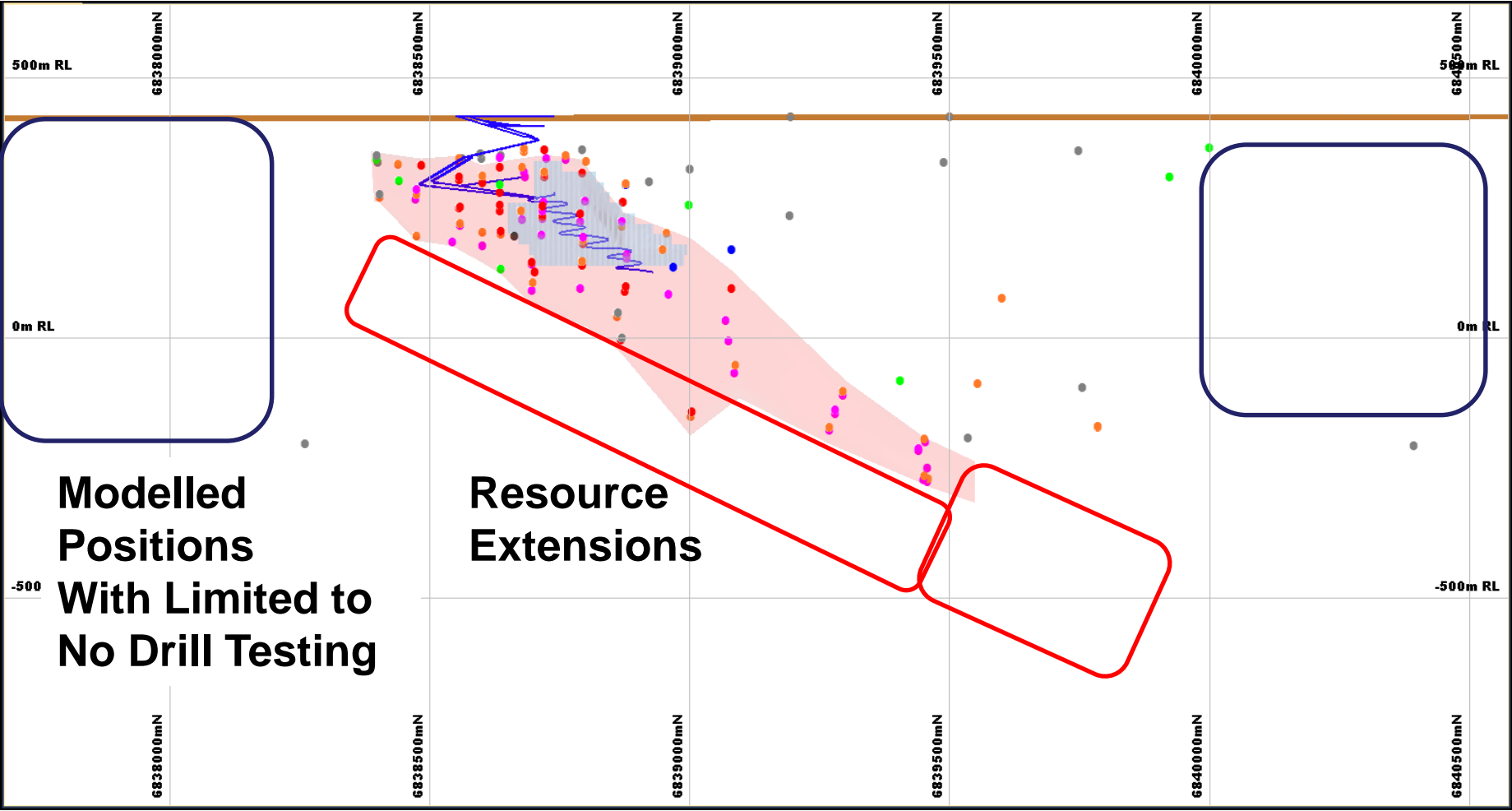


Long section of Mt Windarra at mine closure

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Cerberus Future Development



Conclusion

Conclusion

- **Focussed on what we can control**
 - Cut cash expenditure
 - Preserve cash
- **Black Swan**
 - Engineering
 - Reserve
 - Regulatory approvals
 - Looking to restart Silver Swan
- **Lake Johnston**
 - Explore Emily Ann North & Abi Rose
 - Maggie Hays approvals secured
 - Li exploration progressing
- Terminating State Act (Gold)
- Explore opportunities
- Geotechnical
- Mine plan
- Underground tender
- Exploring gold processing hub
- Establish Li processing hub
- Lithium exploration progressing
- Li Testwork & engineering

Mineral Resource Statement

Table 1: Nickel Projects Mineral Resource Statement

Nickel Sulphide Resources	JORC Compliance	Cut Off Grade	Mineral Resource Category								
			Indicated			Inferred			TOTAL		
			Tonnes (Kt)	Ni% Grade	Ni Metal t	Tonnes (Kt)	Ni% Grade	Ni Metal t	Tonnes (Kt)	Ni% Grade	Ni Metal t
WINDARRA PROJECT											
Mt Windarra	2012	0.90%	922	1.56	14,000	3,436	1.66	57,500	4,358	1.64	71,500
South Windarra	2004	0.80%	772	0.98	8,000	-	-	-	772	0.98	8,000
Cerberus	2004	0.75%	2,773	1.25	35,000	1,778	1.91	34,000	4,551	1.51	69,000
BLACK SWAN PROJECT											
Black Swan	2012	0.40%	9,600	0.68	65,000	21,100	0.54	114,000	30,700	0.58	179,000
Silver Swan	2012	4.50%	52	9.19	4,800	84	9.01	7,600	136	9.08	12,400
LAKE JOHNSTON PROJECT											
Maggie Hays	2012	0.80%	2,600	1.60	41,900	900	1.17	10,100	3,500	1.49	52,000
TOTAL											
Total Ni Resources	2004 & 2012		16,720	1.01	168,700	27,300	0.82	223,200	44,020	0.89	391,900

Note: totals may not sum exactly due to rounding

Mineral Resource Statement

Table 2: Gold Tailings Project Mineral Resource Statement

Gold Tailings Resources	JORC Compliance	Cut Off Grade	Mineral Resource Category									
			Indicated			Inferred				TOTAL		
			Tonnes (Kt)	Grade (g/t)	Au (oz)	Tonnes (Kt)	Grade (g/t)	Au (oz)	Tonnes (Kt)	Grade (g/t)	Au (oz)	
WINDARRA GOLD TAILINGS PROJECT												
Gold Tailings	2004	NA	11,000	0.52	183,000	-	-	-	11,000	0.52	183,000	
TOTAL												
Total Au Resources	2004		11,000	0.52	183,000	-	-	-	11,000	0.52	183,000	

Table 3: Nickel Project Ore Reserve Statement

Nickel Sulphide Reserves	JORC Compliance	Ore Reserve Category		
		Probable		
		Tonnes (Mt)	Ni% Grade	Ni Metal (Kt)
LAKE JOHNSTON PROJECT				
Maggie Hays	2012	1.9	1.19	22.6
BLACK SWAN PROJECT				
Black Swan	2012	3.4	0.63	21.5
WINDARRA PROJECT				
Mt Windarra	2012	0.6	1.70	9.6
Cerberus	2004	1.2	1.30	16.0
Windarra Sub Total		1.8	1.42	25.6
TOTAL				
Total Ni Reserves	2004 & 2012	7.1	0.98	69.7

*Note: totals may not sum exactly due to rounding.
Calculations have been rounded to the nearest 100,000 t of ore, 0.01 % Ni grade and 100 t Ni metal.*

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled and reviewed by Mr N Hutchison, General Manager of Geology who is a full-time employee at Poseidon Nickel, and is a Member of The Australian Institute of Geoscientists.

The information in this report which relates to the Lake Johnston Mineral Resource is based on information compiled by Neil Hutchison, General Manager of Geology at Poseidon Nickel, who is a Member of The Australian Institute of Geoscientists and Andrew Weeks who is a full-time employee of Golder Associates Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy.

The information in this report which relates to the Lake Johnston Ore Reserves Project is based on information compiled by Matt Keenan who is a full time employee of Entech Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy.

The information in this report which relates to the Silver Swan Mineral Resource is based on information compiled by Neil Hutchison, General Manager of Geology at Poseidon Nickel, who is a Member of The Australian Institute of Geoscientists.

The information in this report which relates to the Black Swan Mineral Resource and Ore Reserves is based on information compiled by Andrew Weeks who is a full-time employee of Golder Associates Pty Ltd.as well as Francois Bazin of IMC Mining Pty Ltd. Both are Members of the Australasian Institute of Mining and Metallurgy.

The information in this report that relates to Mineral Resources at the Windarra Nickel Project is based on information compiled by Neil Hutchison, General Manager of Geology at Poseidon Nickel, who is a Member of The Australian Institute of Geoscientists and Ian Glacken who is a full time employee of Optiro Pty Ltd and is a Fellow of the Australasian Institute of Mining and Metallurgy.

The information in this report that relates to Ore Reserve at the Windarra Nickel Project is based on information compiled Leanne Cureton and Andrew Law who are both full time employees of Optiro Pty Ltd and are a Member and a Fellow of the Australasian Institute of Mining and Metallurgy respectively.

Mr Hutchison, Mr Glacken, Mr Keenan, Mr Weeks, Mr Bazin, Mr Law & Ms Cureton all 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code 2012). Mr Hutchison, Mr Glacken, Mr Keenan, Mr Weeks, Mr Bazin, Mr Law & Ms Cureton have consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This document contains Mineral Resources and Ore Reserves which are reported under JORC 2004 Guidelines as there has been no Material Change or Re-estimation of the Mineral Resource or Ore Reserves since the introduction of the JORC 2012 Codes. Future estimations will be completed to JORC 2012 Guidelines.

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

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