

23 April 2008

Company Announcements Officer
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir

**Re: POSEIDON NICKEL AND PROTO RESOURCES TO FORM JOINT VENTURE TO
EXPLORE AT THE MENZIES NICKEL PROJECT**

We enclose herewith a copy of an announcement in relation to the above.

Yours faithfully



David P.A. Singleton
MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER

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CORPORATE DIRECTORY

Director / Senior Management

David Singleton	Managing Director & Chief Executive Officer
Andrew Forrest	Non-Executive Chairman
Geoff Brayshaw	Non-Executive Director
Richard Monti	Non-Executive Director
Chris Indermaur	Non-Executive Director
Ross Kestel	Company Secretary

Corporate Enquiries

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Shareholder Enquiries

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Registered Office

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Home Exchange

The Company's shares are listed
on the Australian Stock Exchange
and the home exchange is Perth
ASX code: POS

ASX Announcement

23 April 2008

Poseidon Nickel and Proto Resources to form Joint Venture to Explore at the Menzies Nickel Project

Poseidon Nickel and Proto Resources are pleased to announce that they have executed a Heads of Agreement to form a Joint Venture with the aim of defining and developing a mineable Nickel resource at the Menzies Nickel Project. The Menzies project is prospective for both Nickel Laterite and Nickel Sulphide mineralisation. The rationale for the Joint Venture is:

- Tenements have proven nickel laterite intersections (see below)
- The Menzies project contains 23sqkm of ultramafic rocks which are prospective for nickel sulphide exploration.
- Menzies is approximately 180kms from the potential concentrator plant to be built at Poseidon Nickel's Windarra Nickel Project.
- Proto Resources is currently developing the Barnes Hill Nickel Laterite project in Tasmania and is seeking additional laterite inventory for development from the Menzies Joint Venture.
- Poseidon & Proto believe that a jointly funded programme will accelerate exploration and that the two companies can provide project development opportunities and synergies.

Poseidon and Proto shall contribute in equal shares to the Joint Venture and shall each finance their share into production. Proto currently holds the Project in Joint Venture with Cazaly Resources Ltd ("Cazaly"), holding 90% of the nickel laterite rights, 50% of the nickel sulphide rights and 70% of the gold rights. Cazaly Resources will continue to hold its interests and will be free carried to completion of a bankable feasibility study.

The Menzies Nickel Project is a multi-commodity advanced exploration project including nickel laterite, nickel sulphide, cobalt and gold, previously worked by BHP. The project consists of 36 tenements in a continuous block located 10km south of the township of Menzies, about 130km north of Kalgoorlie in Western Australia.

Substantial nickel intersections known from prior drilling at Menzies include:

- Historical MZR01: 8m @ 1.21% Ni & 0.073% Co (from 20m to 28m) 22 October 2004
New MZR01: 11m @ 1.16% Ni and 0.07% Co, inc. 7m @ 1.39% Ni and 0.08% Co (18 to 25m)
- Historical MZR02: 4m @ 1.00% Ni & 0.052% Co (From 20m to 24m) 22 October 2004
New MZR02: 5m @ 1.00% Ni & 0.04% Co (from 19 to 24m)
- Historical MZR04: 12m @ 1.72% Ni & 0.127% Co (From 16m to 28m) 22 October 2004
New MZR04: 14m @ 1.72% Ni and 0.13% Co, inc. 12m @ 1.92% Ni and 0.14% Co (16 to 27m)
- Historical MZR05: 4m @ 1.40% Ni & 0.068% Co (From 32m to 36m) 22 October 2004
New MZR05: 7m @ 1.28% Ni & 0.063% Co (from 30 to 37m)

(Historical - Great Australia Resources Limited, GAU; New - resampling by Proto Resources)

In addition to the nickel laterite intersections the ground is also considered as prospective for nickel sulphide. The prospective basal contact which potentially hosts nickel sulphide mineralisation, strikes for 18km within the project area and has undergone limited previous nickel exploration. Most of the drilling occurs on the western side and in the centre of the folded anticlinal structure and was targeting gold mineralisation. Mineralised nickel laterites have been intersected in the NW region of the project area, as detailed previously, and indications of nickel sulphide have been reported in the gold targeted drilling. The southern and eastern limbs of the folded ultramafic basal contact appear to be completely untested. The Menzies ultramafic may be part of the structure which hosts the Scotia nickel mine 55km to the south-southeast of the tenements adding to its potential prospectivity.

The parties propose to develop mineable laterite and sulphide nickel resources and will now undertake the next stage of the exploration programme with the initial intent of following up on the mineralisation already identified. The programme will involve extending geochemical coverage and embarking on an aggressive drilling programme aimed at extending known nickel mineralisation, with a view to defining an inferred resource.

The information in this report that relates to Exploration Results is based on information compiled by Andrew Johnstone who is a Fellow of the Financial Services Institute of Australasia, members of both the Australian and American Societies of Exploration Geophysicists, and member of the Australasian Institute of Geoscientists (AIG). Mr Johnstone provides exploration management services to Proto Resources & Investments Ltd. Mr Johnstone has extensive qualifications and experience in the style of mineralisation and type of deposit 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". Mr. Johnstone consents to the inclusion in the report of the matters based on information provided by him and in the form and context in which it appears.