

27 November 2008

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

Dear Sir

**Re: ANNUAL GENERAL MEETING 2008 - PRESENTATION**

We enclose herewith a copy of a presentation for our 2008 Annual General Meeting.

Yours faithfully



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

Enc

**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
Ross Kestel	Company Secretary

**Corporate Enquiries**

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F: 61 8 9382 4760

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**Shareholder Enquiries**

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GPO Box D182, Perth WA 6840  
P: 61 8 9323 2000

**Principal Office**

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Porter Novelli  
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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



# Disclaimer

POSEIDON NICKEL

This presentation has been prepared for the purpose of providing general information about Poseidon Nickel Limited ("Poseidon"). It should not be considered as an offer or invitation to subscribe for or purchase any securities in Poseidon or as an inducement to make an offer or invitation with respect to those securities. It is not recommended that any person makes an investment decision in relation to Poseidon in reliance on this presentation material.

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# Agenda

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- Poseidon Vision
- 12 Month Achievements
- Resources & Exploration
- Mine Refurbishment
- Process Development
- “New World” Poseidon Approach

# Poseidon's Vision

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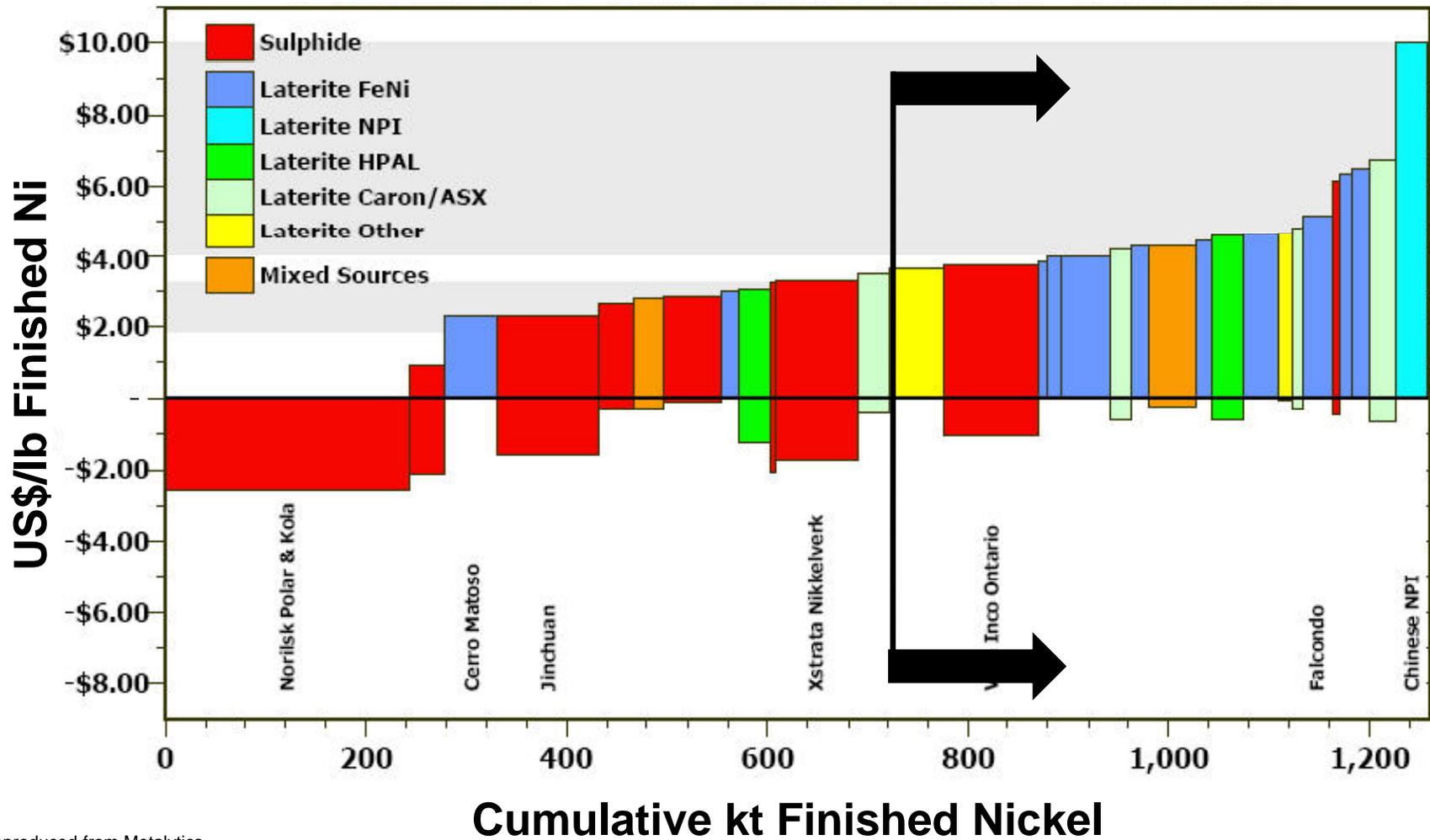
- Annual Nickel Production of 20,000 tonnes targeted



# Nickel Price has fallen by 60% in the last year leading to a crash in stock prices



# 40% of Current Nickel Production could be uneconomic at today's prices



Reproduced from Metalytics

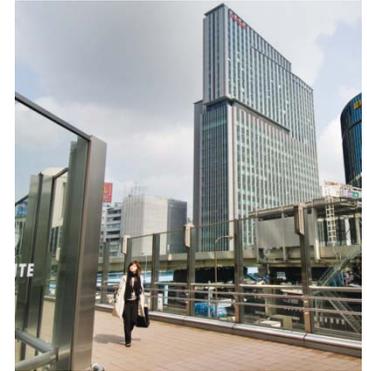
# Nickel – The Quiet Achiever

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Performance

Aesthetic



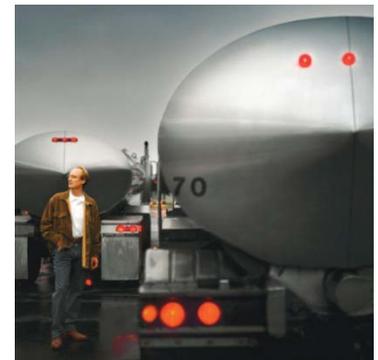
Efficient

Rechargeable



Energy

Hygienic



“Potential supply squeeze in zinc and nickel could create mini-recovery rally in 2010”

# Poseidon's Achievements in the first full year

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- 1<sup>st</sup> ever JORC resource
  - 60k tonnes @ 1.45%
- 1<sup>st</sup> New Discovery since early 1970's
  - EM survey leading way
  - Jubilee experience invaluable
- Windarra Underground risk mitigated
  - First access achieved in 17 years
  - 1.2km\* refurbishment & ahead of schedule
- Poseidon Patent & Pilot sulphide oxide blending
  - Route to low C1 cost & 20,000 tonne output

# Resources & Exploration

Neil Hutchison – GM Geology

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# Geology Report - November 2008

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# Geology

## THE STRENGTH OF THE COMPANY

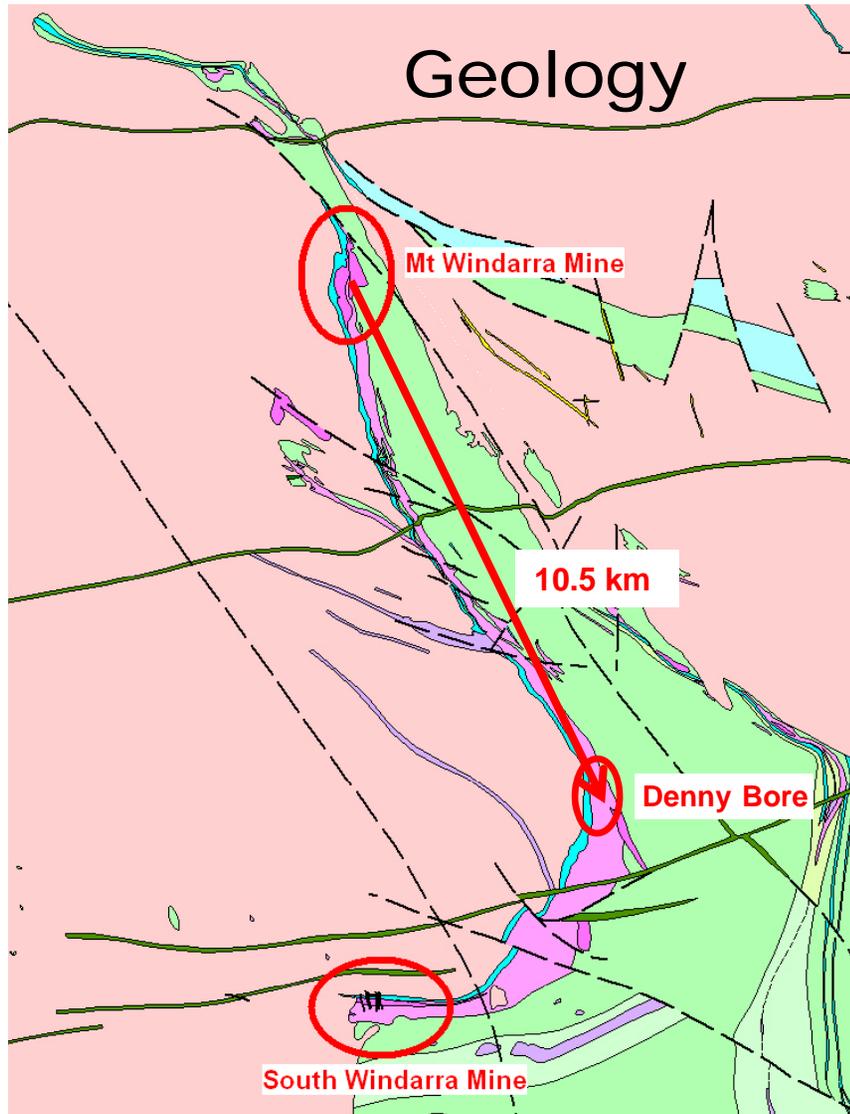
# Geology Report - November 2008

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- Dedicated to finding new ore deposits & delineating existing deposits
- The largest team in the Company
  - 6 Geologists
  - 5 Field Techs
- Managing 2 – 3 Drill Rigs
- In the last 12 months Geology team has
  - Drilled continuously up to 31<sup>st</sup> Oct 2008
  - 211 holes for 32,295m

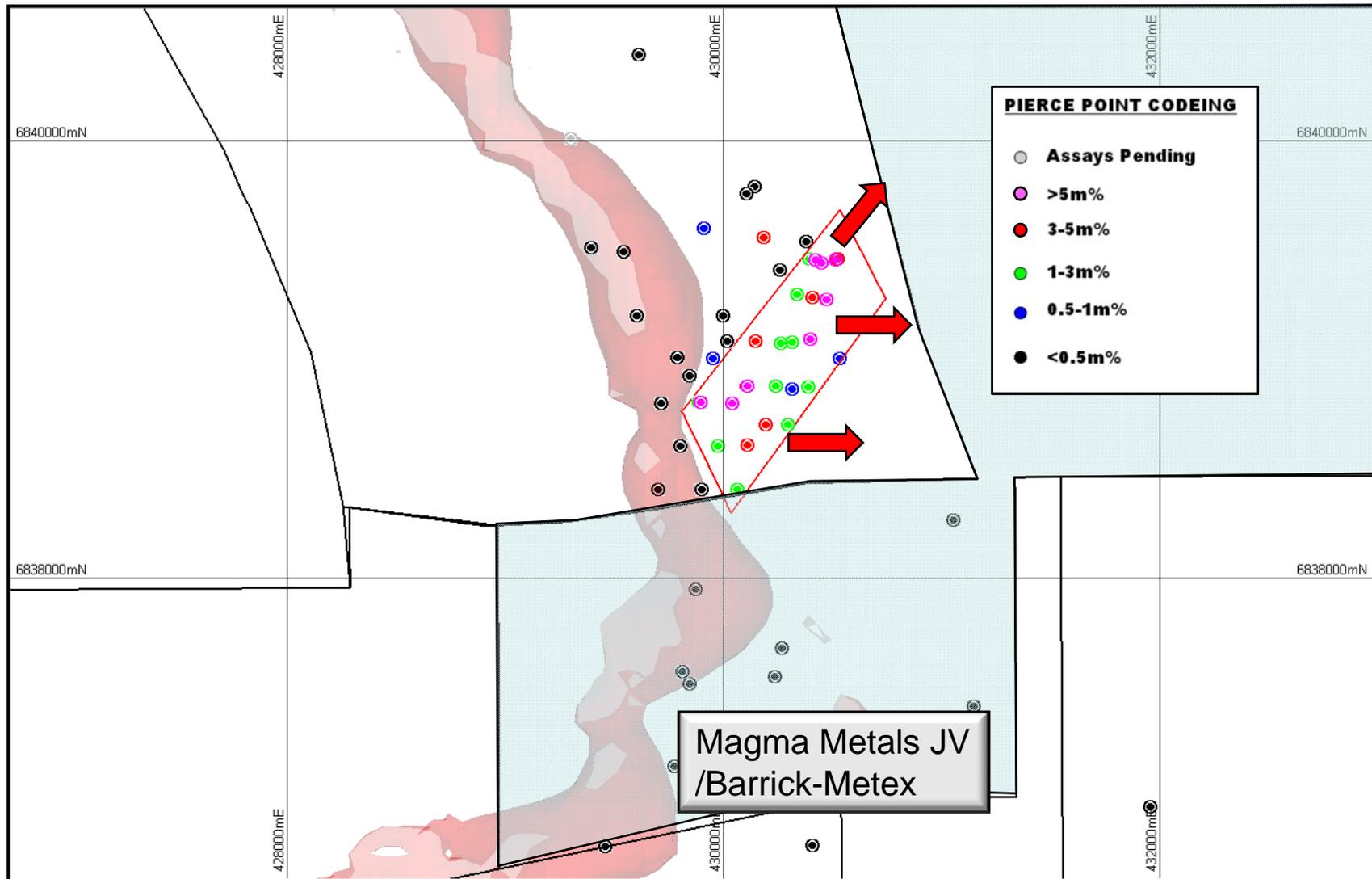


# Windarra Nickel Project-Geology

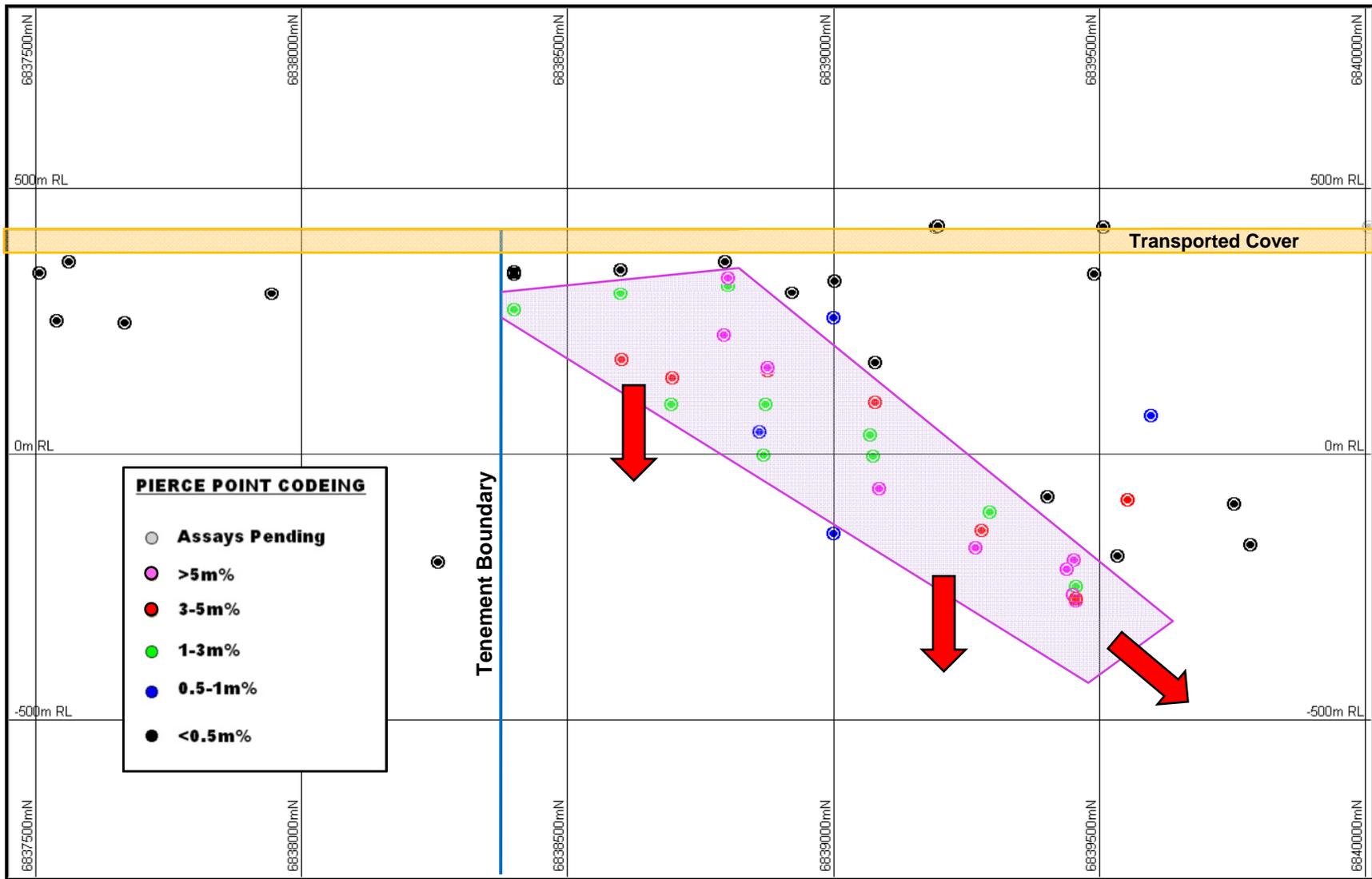


Oxide Deposits	Resource Category	Tonnes	Ni% Grade	Ni Metal t
South Windarra Oxide	Total Indicated	311,312	0.78	2,438
Woodline Well Oxide	Total Inferred	266,382	1.38	3,676
<b>Total All Oxide Categories</b>		<b>577,694</b>	<b>1.06</b>	<b>6,114</b>
Sulphide Deposits	Resource Category	Tonnes	Ni% Grade	Ni Metal t
Mt Windarra	Total Indicated	1,159,509	1.15	13,389
Mt Windarra Deeps	Total Inferred	2,828,496	1.76	49,711
<b>Total All Sulphide Categories</b>		<b>3,988,005</b>	<b>1.58</b>	<b>63,100</b>

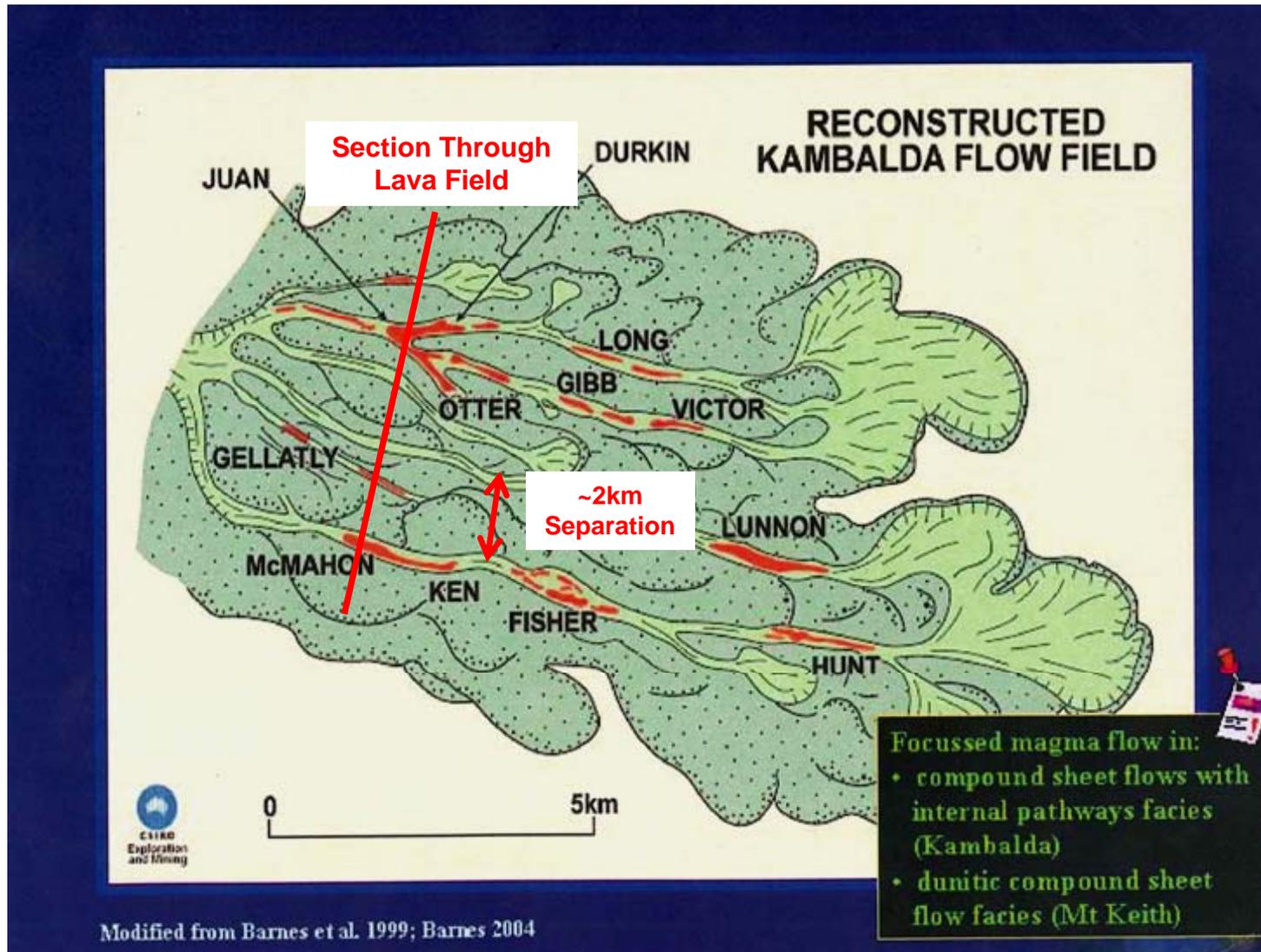
# Denny Bore-Plan View with Tenure



# Denny Bore-Longsection

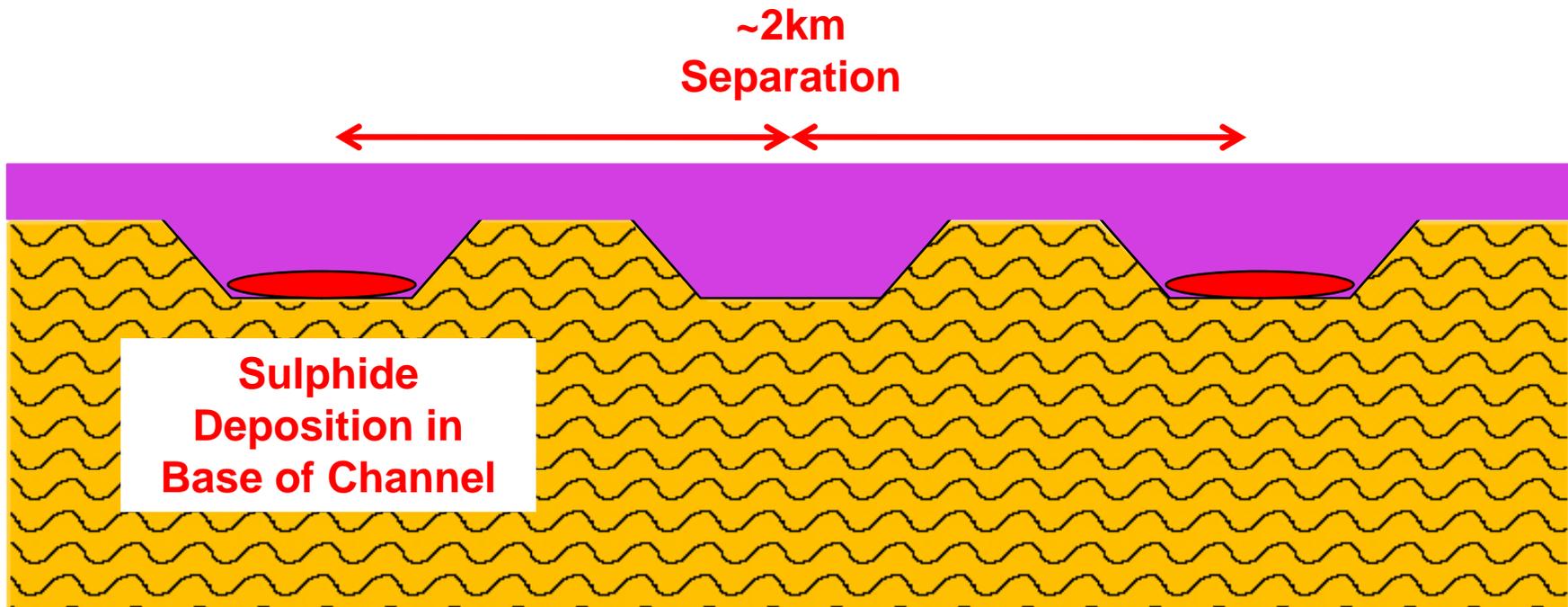


# Cabbage Leaf Model-Kambalda



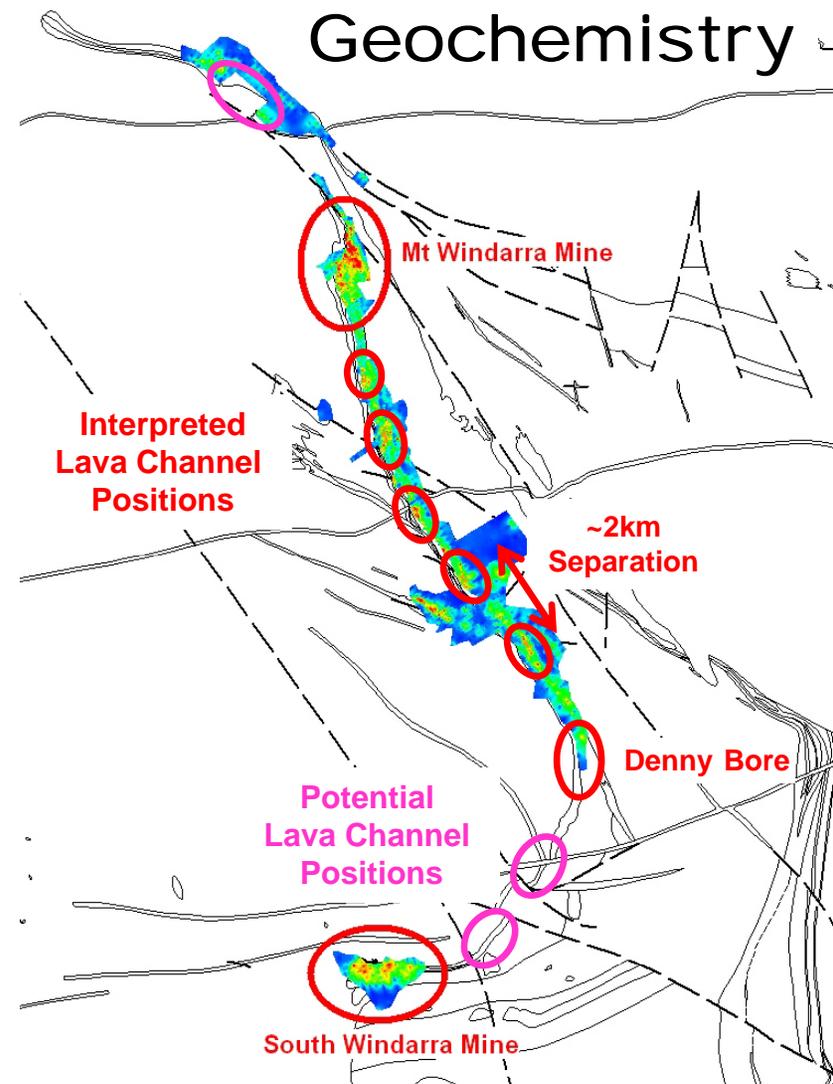
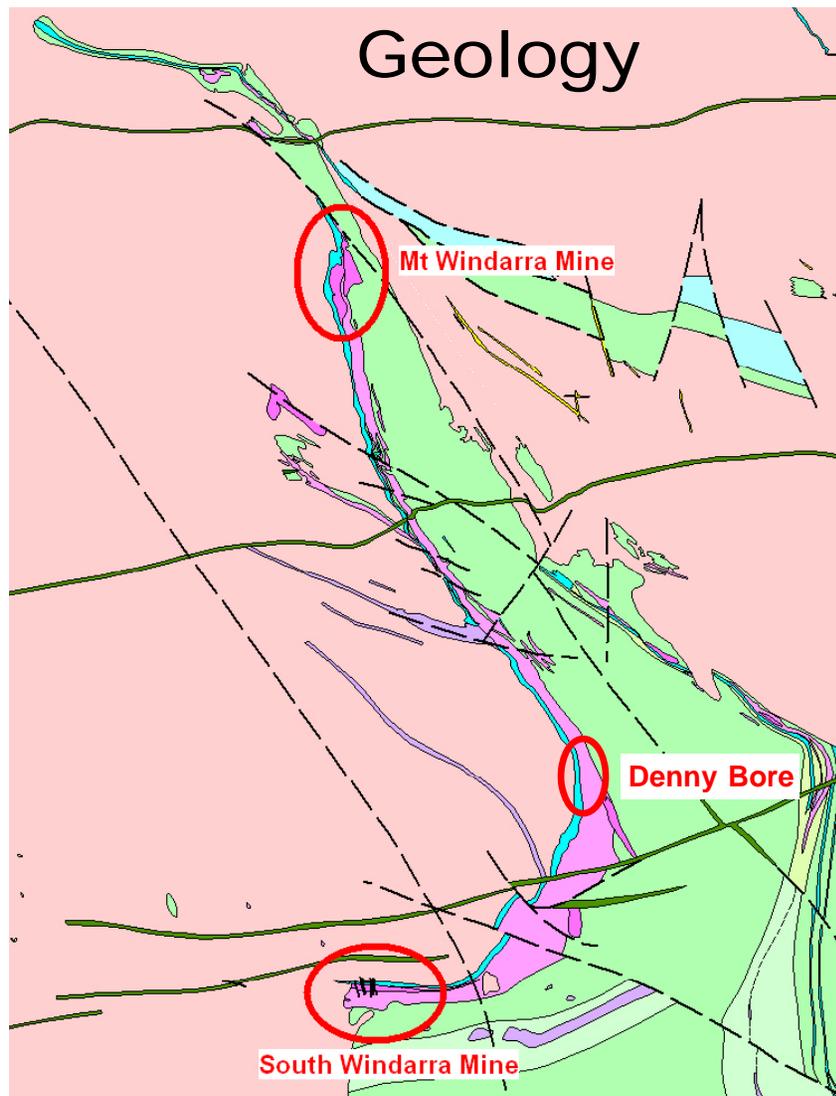
# Lava Channel Formation on Sea Floor

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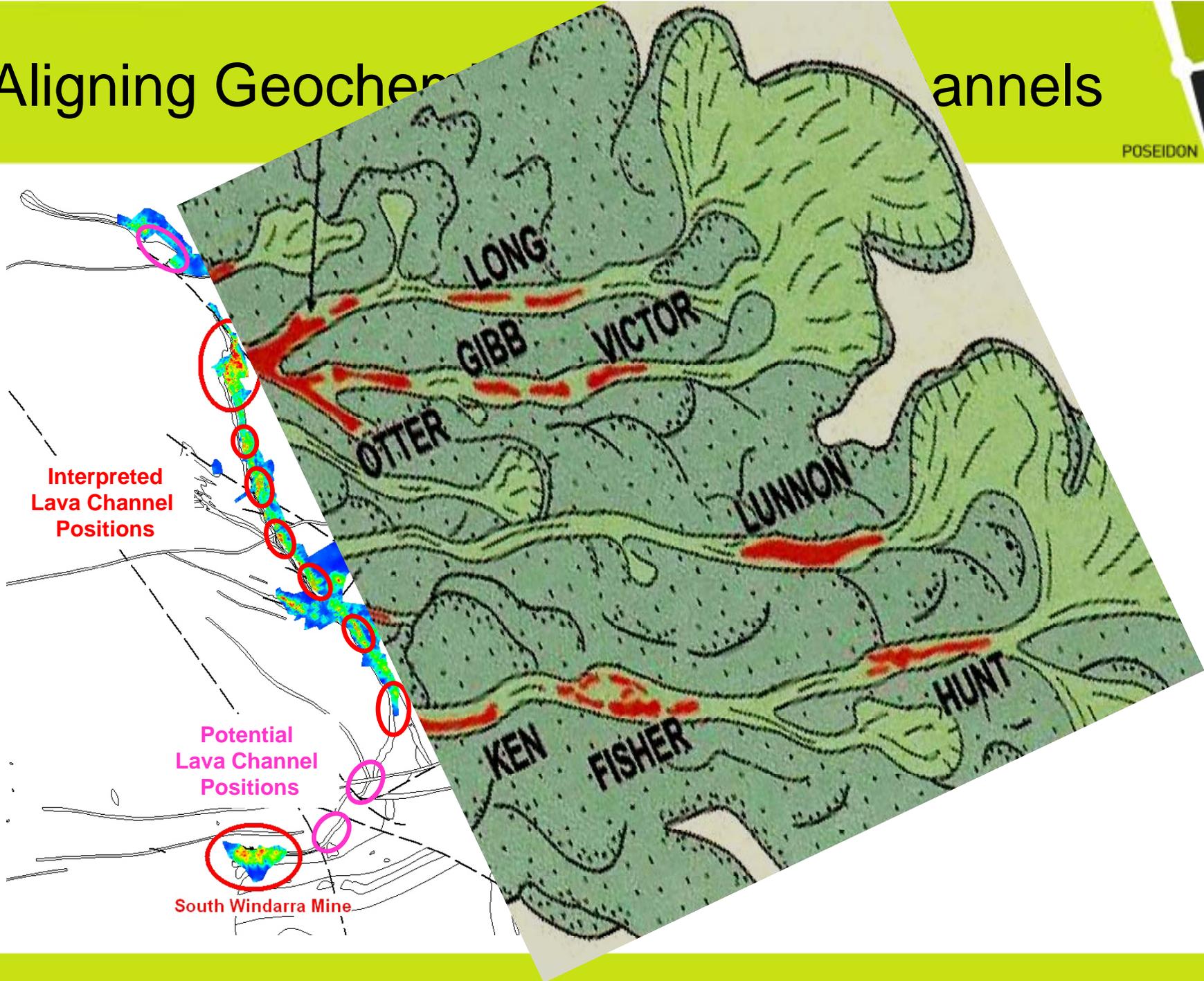
# Extensive Geochemistry Reinterpretation Highlights the Potential Lava Channels

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# Aligning Geochemical Channels

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# Mine Refurbishment

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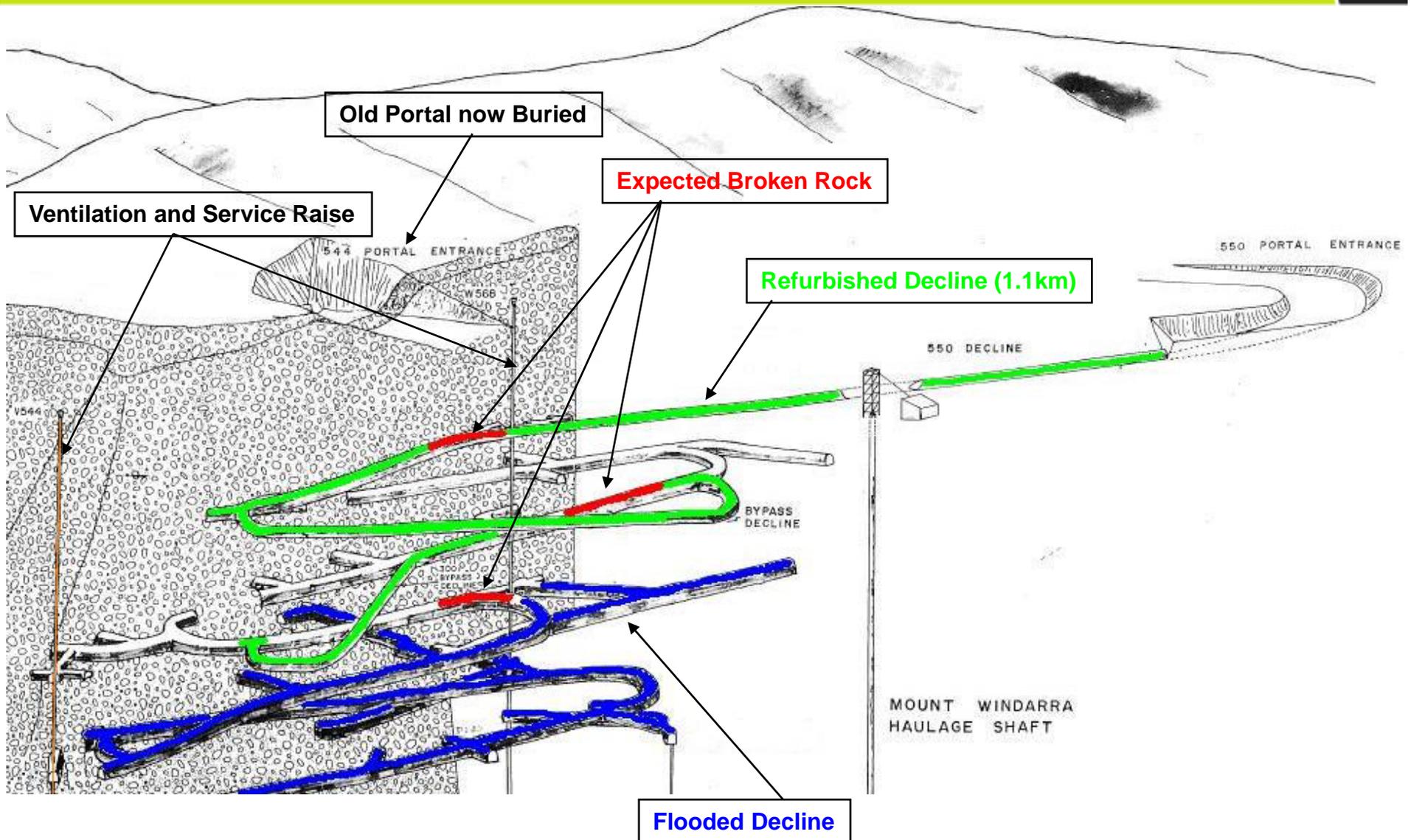
# Refurbishment of Mine ahead of Schedule and Under Cost

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- All Licences received
- 1.5 M tonnes of Water removal underway
- Refurbishment of over 1km now complete
- Ground and steel sets in good condition on main decline



# Refurbishment has already eliminated 2 of 3 high risk zones



# Process Development

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# Poseidon has completed an extensive test work programme as part of its feasibility work

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- Flotation test work ✓ Complete
- Sulphide/Oxide Batch test work ✓ Complete
- Process Patent Granted ✓
- Continuous Flow test work ✓ Complete
- Data Review for feasibility Opex ✓ Underway

# Poseidon Approach

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# Exploration \$7,623,000

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# Dewatering & Rehab \$5,500,000

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# R & D / Test Work \$900,000

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# Cash Position

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	<u>\$000</u>
Opening Cash Balance 1 July 2007	10,485
Convertible Note Proceeds (issue of shares to Directors)	21,047
Exploration	(7,623)
Dewatering & Rehabilitation	(5,500)
R&D / Test work	(900)
Capital Expenditure	(1,105)
Payments to suppliers & employees	(2,039)
<b>Closing Cash Balance 30 June 2008</b>	<b>14,365</b>
	=====

# Poseidon has put funding into place

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- US \$50m Convertible Note in 2 tranches
  - US \$15m received
  - US \$35m requires AGM and timing agreement
- Independent Experts Report
  - Amongst best terms in Australia in over 12 months
    - 0% interest 3 years
    - 5% interest year 4-6
    - Issued at 30% premium to (then) market

# Poseidon Strategy – Preserve Cash, build project & await inevitable opportunities

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- Target : Significant Inferred Resource upgrade
- Target : Substantially Eliminate Underground Risk
- Target : Low Opex Process Route Result to 20,000 tonnes

**AGGRESSIVELY REVIEW AND PURSUE KEY  
EMERGING OPPORTUNITIES**



“Every cloud has a silver lining,

You just need to find it”

# Competent Person Statement

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*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 report of the matters based on his information in the form and context in which it appears.*

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

