

22 April 2010

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

Dear Sir

**Re: POSEIDON RECOMMENCES OPERATIONS AT MT WINDARRA**

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**

Mr David Singleton – MD & CEO  
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E: [admin@poseidon-nickel.com.au](mailto:admin@poseidon-nickel.com.au)

##### **Shareholder Enquiries**

Enquiries concerning shareholdings should be addressed to:

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

##### **Principal Office**

Unit 8, Churchill Court  
331-335 Hay Street  
SUBIACO WA 6008  
P: 61 8 9382 8799  
F: 61 8 9382 4760

##### **Registered Office**

Level 2, Spectrum  
100 Railway Road  
SUBIACO WA 6008  
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##### **Media Enquiries**

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FD Third Person  
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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

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**Poseidon Recommences Operations at Mt Windarra**

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Poseidon Nickel Limited (ASX:POS) is pleased to announce that it is recommencing underground operations at its wholly owned Mt Windarra Nickel Project.

Essential equipment has been installed in the underground decline over the past few weeks and dewatering has today recommenced after a period of testing.

In addition, further mining equipment has been delivered to the site so that decline refurbishment can recommence with a short lead time.

Poseidon Managing Director, Mr David Singleton, said that following discussions with potential investors, the company was confident that the necessary funding to finalise the underground refurbishment and undertake future development activities would be available. The company will continue to keep the market fully informed on the progress of these discussions, once finalised.

Consequently the company is satisfied, to the extent that it can now commit to the next phase of recommencing the underground refurbishment at Windarra.

Poseidon has already completed approximately 20% of the necessary refurbishment work at Mt Windarra and is intending to complete the remaining work prior to recommencing drilling the resource from underground.

Poseidon has previously extensively drilled the nickel deposit at Mt Windarra from the surface and is now seeking to complete the final underground resource drilling necessary before making a decision to commence mining.

Poseidon has previously announced the recommencement of its exploration programme on its Windarra tenements to follow up on the new Cerberus deposit during the last drilling campaign. Poseidon has now completed the initial exploration programme and will update the market on the findings in due course.

ENDS