

30<sup>th</sup> September 2010

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

Dear Sir

**Re: NICKEL SULPHIDE INTERSECTED AT CERBERUS**

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  
P: 61 8 9382 8799  
F: 61 8 9382 4760

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  
P: 61 8 9367 8133  
F: 61 8 9367 8812

##### **Media Enquiries**

Mr Paul Downie  
FD Third Person  
P: 61 8 9386 1233 M: 0414 947 129  
E: [paul.downie@fdthirdperson.com.au](mailto:paul.downie@fdthirdperson.com.au)

##### **Home Exchange**

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

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ASX Announcement

30<sup>th</sup> September 2010

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**Nickel Sulphide Intersected at Cerberus**

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Poseidon Nickel is pleased to announce that two nickel sulphide intersections at Cerberus within the Windarra Nickel Project have exceeded expectations should the assay laboratory testing confirm the Niton XRF field results. The visible sulphide intersections are thicker than previously estimated within the Windarra Ultramafic host rock. The drilling programme at Cerberus has had a 100% success rate through the current campaign. The recent intersections have confirmed the real potential for growing the Cerberus resource nearer to surface from previous modelling estimates (Figure 1).

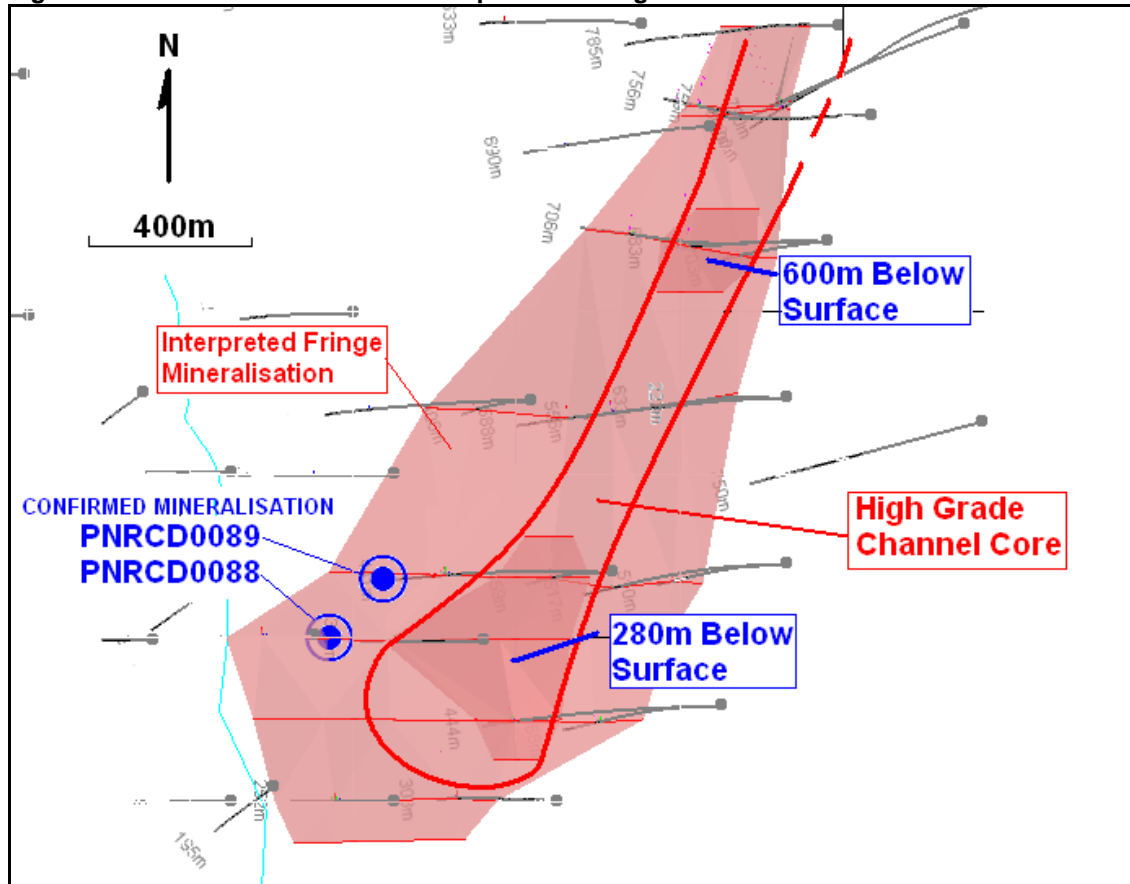
The two drill holes were recently completed after unseasonal heavy rain delayed the drilling programme by approximately 2 weeks. The two holes completed were designed to extend the up-dip boundaries of the previously known mineralisation (Figure 1).

PNRCD0088 intersected 2.45m of moderate to highly disseminated sulphides at a depth of 160 below surface and PNRCD0089 intersected 2.3m of matrix, channel style mineralisation at a vertical depth of 200m.

The combination of these intersections indicates that the fringe mineralisation may be thicker at shallower levels than has previously been interpreted from the wide-spaced drilling. The drill-core has been logged, sampled and sent off to laboratories for chemical analysis with assay results due in the next few weeks. Another four holes have been planned in and around the upper channel core to commence in November this year.

In addition, the Company has now completed the R.C. pre-collars on 4 of the new regional target zones, several kilometres away from Cerberus, and has recently commenced diamond drilling at the first target.

Figure 1 - Plan View of the Cerberus Deposit Showing Recent Intersection Locations



Poseidon’s GM of Geology, Neil Hutchison, said “These are exciting times, with the Company embarking upon the drill testing of sound regional targets that have been methodically worked up over the last three years, melding historical data with modern scientific ideas. This approach has been highly successful in other Goldfields Nickel Camps and we are confident we can replicate that success at Windarra”.

*Note: The information in this report 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.*

Windarra Nickel Project Sulphides	Resource Category								
	Indicated			Inferred			TOTAL		
	Tonnes	Ni% Grade	Ni Metal t	Tonnes	Ni% Grade	Ni Metal t	Tonnes	Ni% Grade	Ni Metal t
Total Sulphide	1,837,755	1.20	22,012	3,866,819	1.95	75,318	5,704,574	1.71	97,331