



# Poseidon Rising

Annual General Meeting  
22 November 2011

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## **Harbinger to Fund \$20m Convertible Note at 42% Premium to Share Price**

**December 2010**

**Cerberus Drilling Results Released. Grades up and now 110m from surface**

**January 2011**



A photograph of a mining site under a clear blue sky. In the foreground, a line of heavy-duty mining trucks is parked on a dirt surface. The trucks are primarily yellow and orange. To the left, a tall, complex metal structure, likely a conveyor system or part of a processing plant, stands against the sky. The overall scene depicts a large-scale industrial operation.

**Mining Fleet on site and ready to commence refurbishment**

**February 2011**

# Project Highlights

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**Studies indicate US\$3.20 per pound nickel  
due to low mining cost**

**February 2011**

A photograph of an underground mine tunnel under refurbishment. The ceiling is covered in a dense grid of steel reinforcement mesh. Two workers in safety gear are in the foreground, looking up at the ceiling. One worker is pointing upwards. The scene is dimly lit with warm, yellowish light from overhead fixtures. Various cables and equipment are visible in the background.

# **Underground Refurbishment Commences at Mount Windarra**

**March 2011**

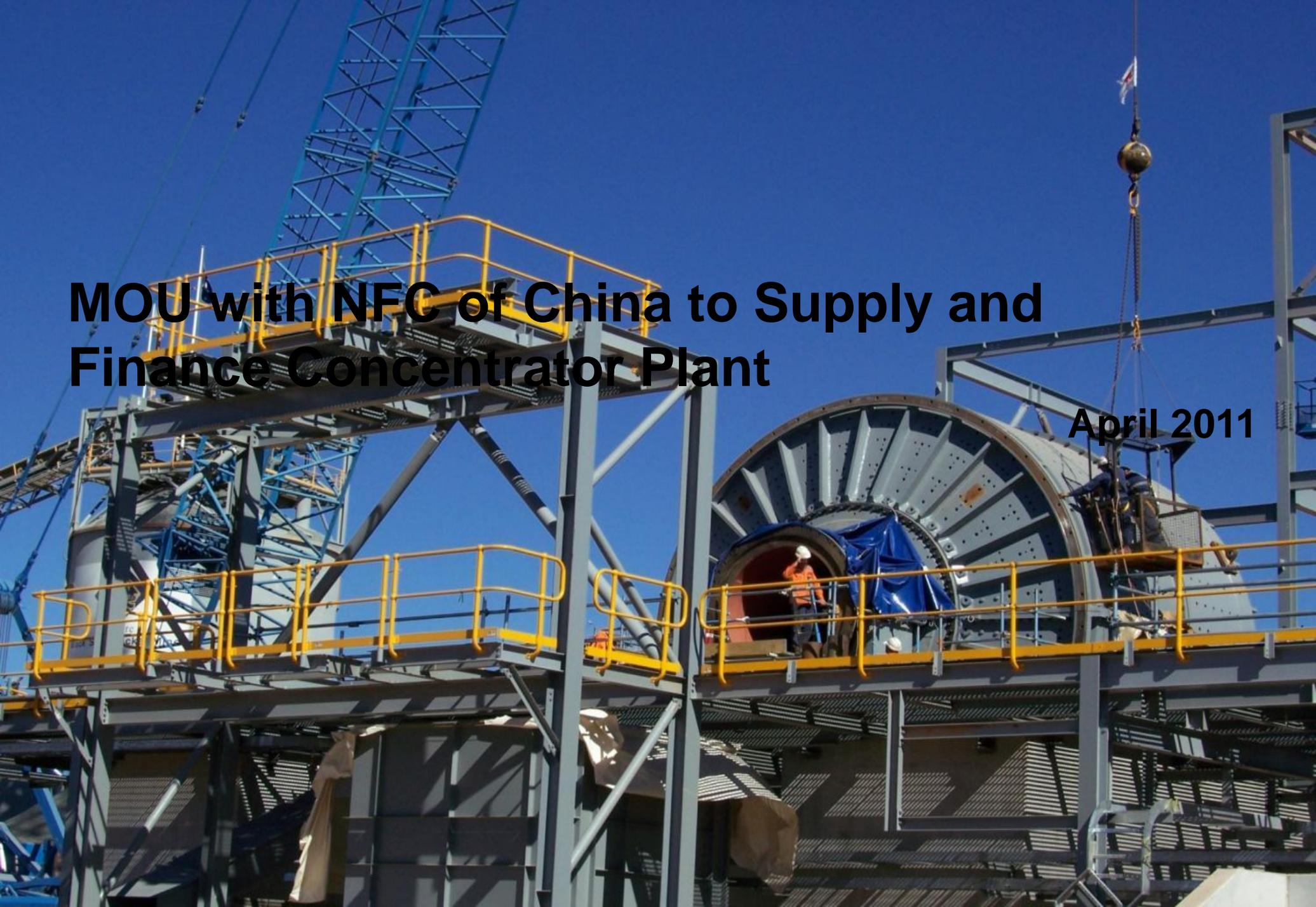
# Biggest Yet Diamond Drill Programme for Windarra

March 2011



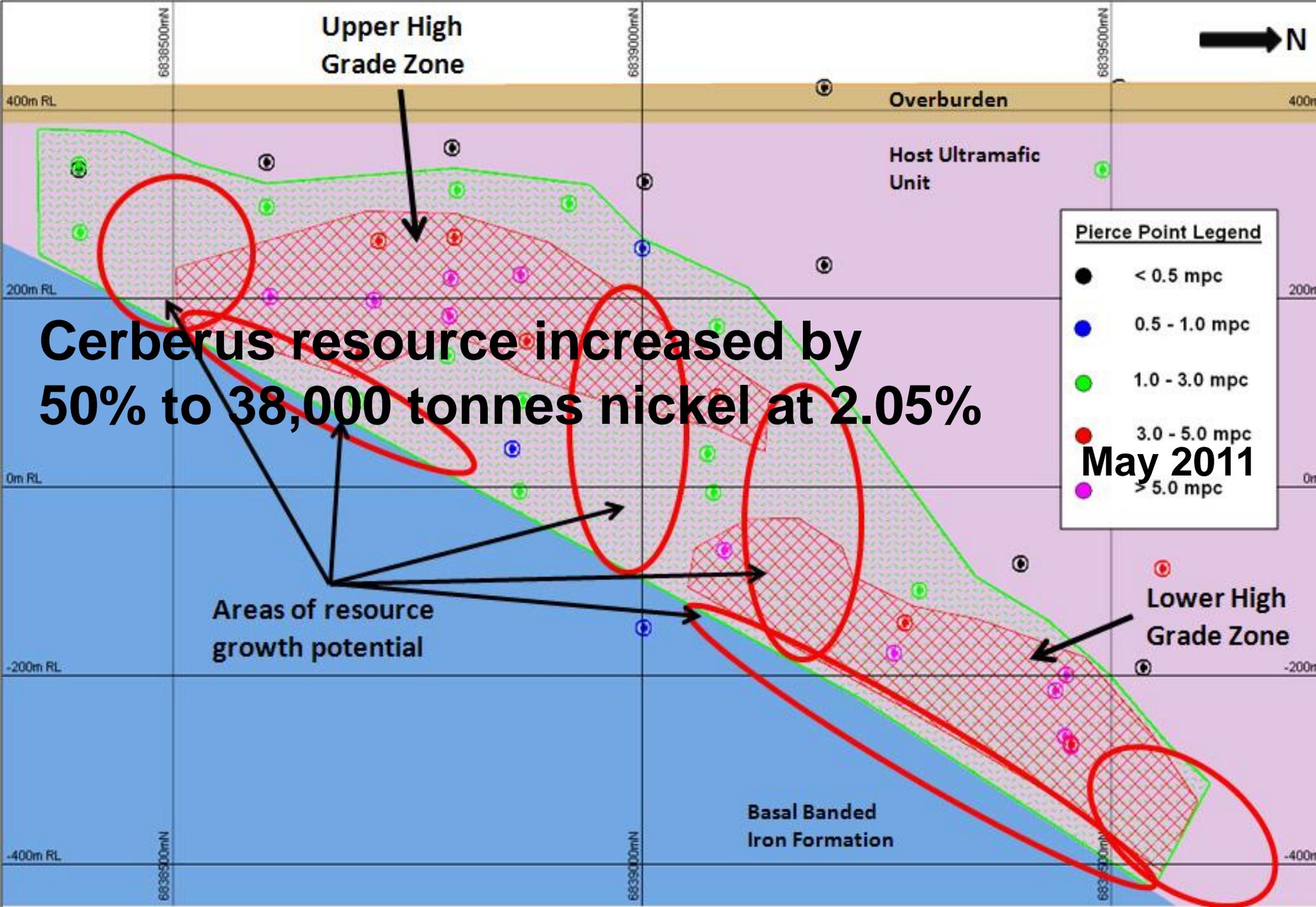
## **\$20m Funding Received Post EGM**

**April 2011**

A large-scale industrial construction site under a clear blue sky. The structure is a complex steel framework with multiple levels of walkways and platforms, all featuring bright yellow safety railings. In the center-right, a massive, circular, grey metal component, likely a mill or classifier, is being positioned. A worker in an orange safety vest and white hard hat stands on a platform near its entrance. To the right, another worker is visible on a higher level. A large crane arm, painted blue, extends from the top left towards the center. On the far right, a heavy-duty hook and chain assembly is suspended from above, ready to lift a component. The overall scene depicts a major engineering project in progress.

# MOU with NFC of China to Supply and Finance Concentrator Plant

April 2011



Upper High Grade Zone

Overburden

Host Ultramafic Unit

**Pierce Point Legend**

- < 0.5 mpc
- 0.5 - 1.0 mpc
- 1.0 - 3.0 mpc
- 3.0 - 5.0 mpc
- > 5.0 mpc

**Cerberus resource increased by 50% to 38,000 tonnes nickel at 2.05%**

**May 2011**

Areas of resource growth potential

Lower High Grade Zone

Basal Banded Iron Formation



**Metallurgical Testing Confirms Cerberus  
Ore Potential**

**June 2011**

# On Site Accommodation Expansion Completed

June 2011



# Electrical Power Installed at Windarra to Support Refurbishment Works

July 2011



## **Top Lode to Cerberus Resource Discovered Revealing further Extensions**

**October 2011**

# Poseidon to Double Proposed Mine Throughput

October 2011



## **Mount Windarra Mining Proposal Submitted to DSD. Cerberus by Year End**

**November 2011**

# Over 4 years we have built Australia's premier nickel sulphide explorer

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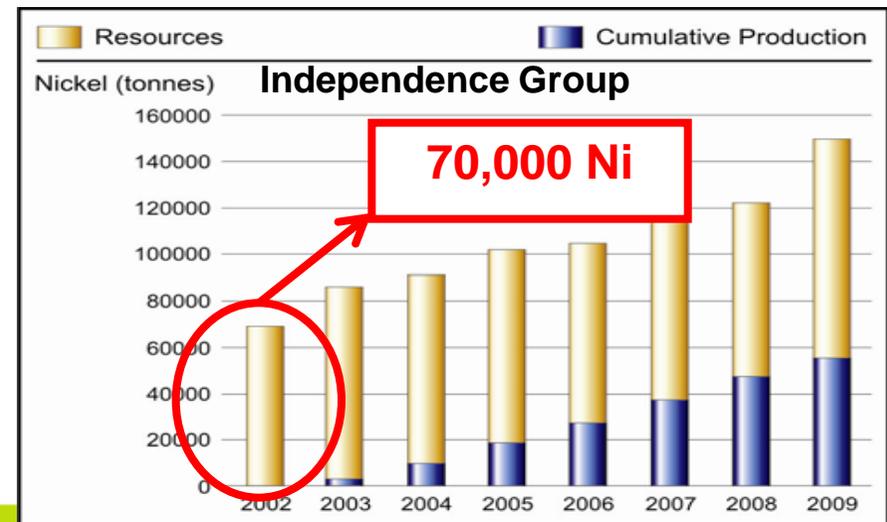
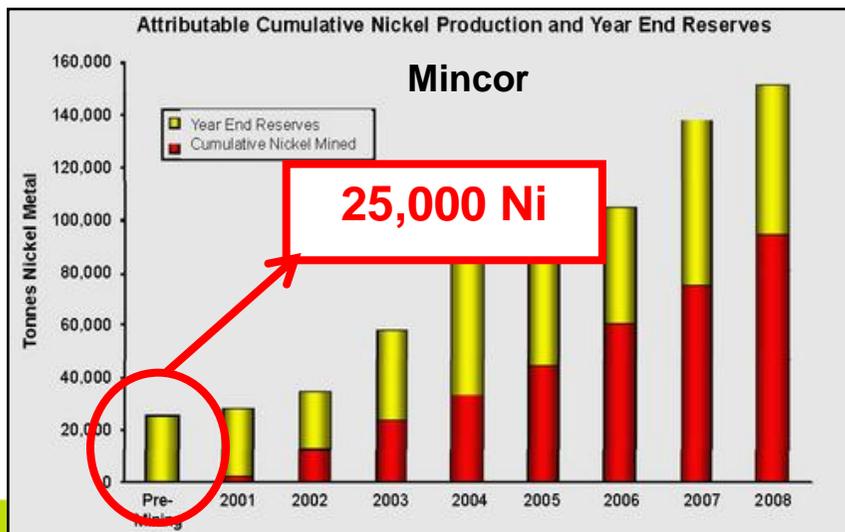
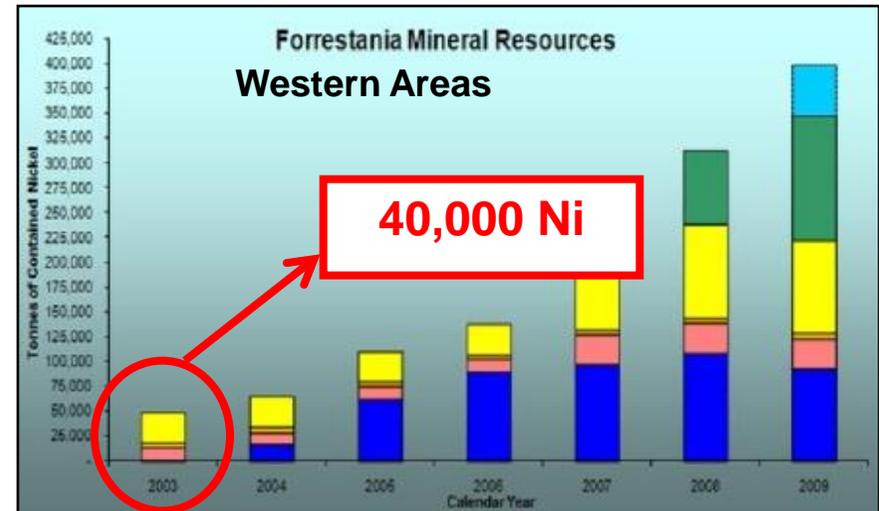
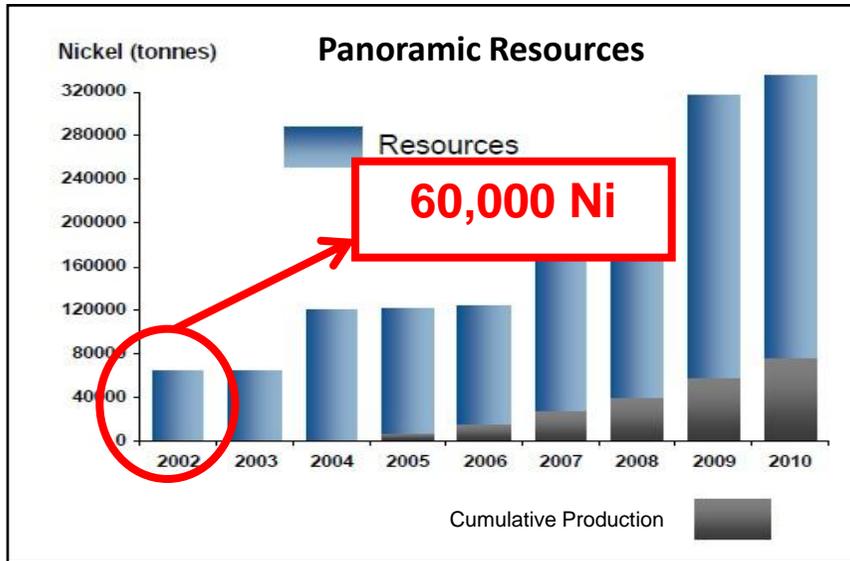
## RESOURCE 2007\*

Mt Windarra	NIL
Cerberus	Unknown
South Windarra	NIL

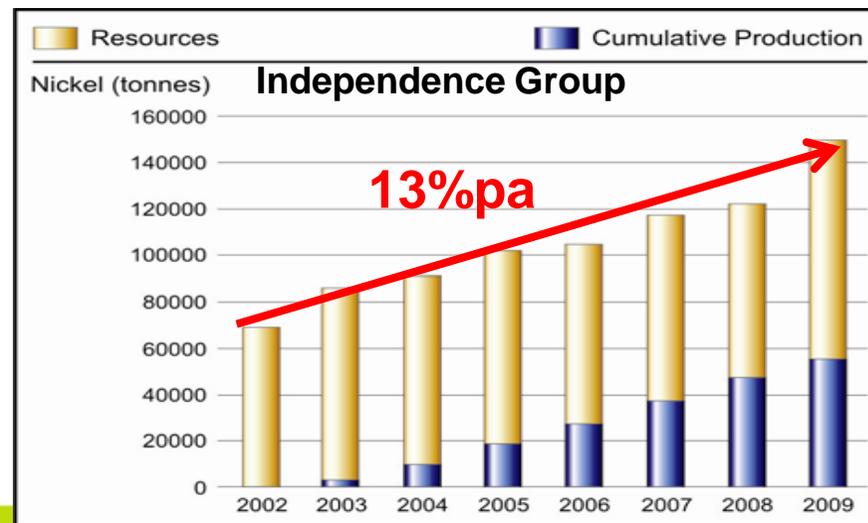
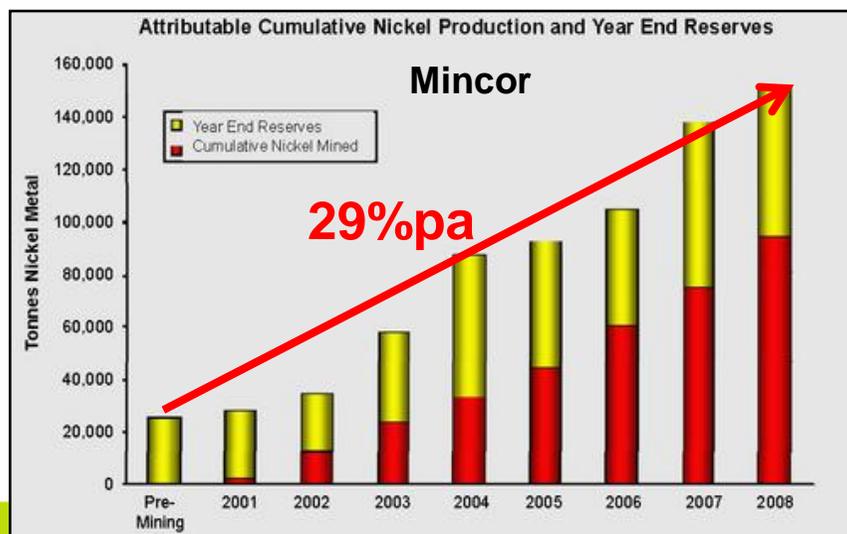
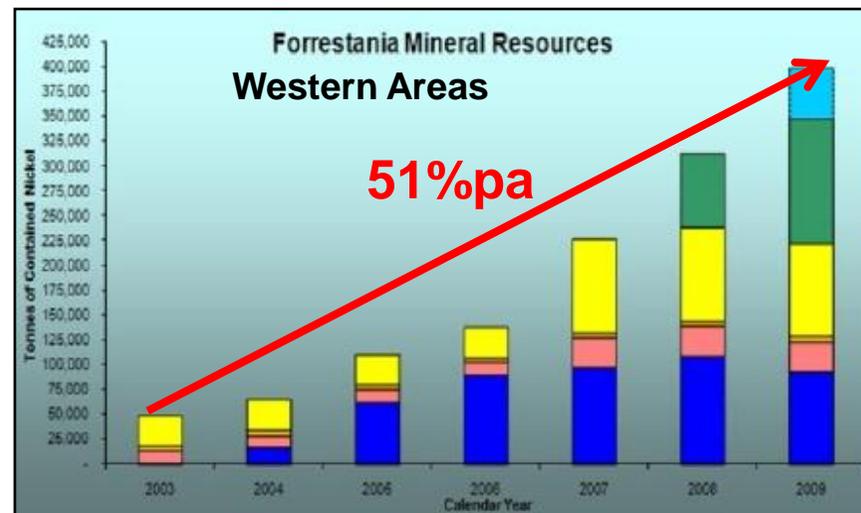
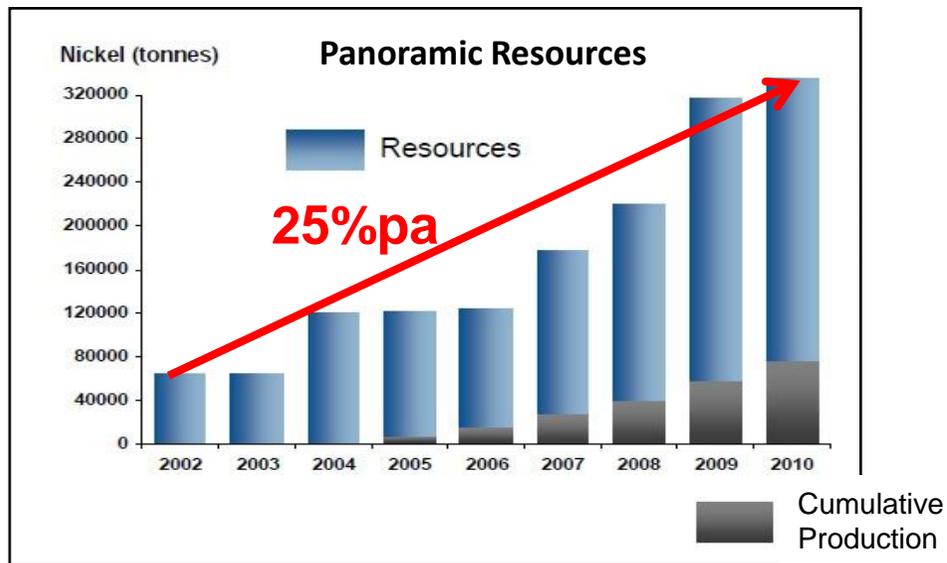
## RESOURCE 2011\*

62,200 Ni @ 1.61%  
38,000 Ni @ 2.05%  
10,300 Ni @ 1.14%

# Poseidon's 110,000 tonne nickel resource compares well with successful peers



# West Australian Peers have extended mine life continuously in production



% stated is the compound growth rate of the resource from start up and provides a useful indicator to what may happen at Windarra

# Key Points

1. Mount Windarra & Cerberus to feed 700,000 T p.a. concentrator
2. Six & ten year initial resource at Mt Windarra & Cerberus
3. 12 months to Production from Financing
4. Cash cost <US\$3.20/lb average
5. China Non Ferrous (NFC) to build and fund concentrator\*
6. Feasibility studies & Govt approval submissions end 2011

\* See relevant announcement

# The final refurbishment of the underground prior to restarting mining is underway

- Mining & refurbishment equipment on site and in operation
- 300m vertical dewatered out of 550m
- Refurbishment will complete in 2012



# Cerberus has advanced quickly

- Cerberus initial drill out now complete
- Final resource mine plan by end 2011
- Continues to surprise on upside with resource extensions considered likely
- Mining approval will be submitted to WA Government this year
- Plan to mine in tandem with Mt Windarra providing fee flexibility

# New Build Concentrator will cost circa \$60m

- Concentrator will process Mt Windarra and Cerberus Ore to produce circa 10,000 tonnes nickel per year
- Plant low risk & well understood
- MOU signed with China Non Ferrous & Arccon (Australia) to:
  - provide fixed price turnkey concentrator plant
  - vendor finance package for approx 80% of cost over eight years

# Project Economics for Various Nickel Processing Routes : 2011

**Average Capital Intensity  
World ≈ \$10 - \$20/lb p.a.**

**≈ \$5.30/lb p.a**

	Sulphide Ore		Late
	Concentrator	Heap Leach	High P Acid
	1.5 to 2.5%	1.0 to 1.2%	1.0 to
	5 - 10	20 - 25	40
	\$10 - \$20	\$10 - \$20	\$25
	\$5 to \$7	\$4 - \$5	\$4
	\$4 - \$6	\$3 - \$4	\$3
Payback period (years)	2 - 7 years	2 - 4 years	4 - 10
based on \$10/lb Ni	2 - 5 years	2 - 3 years	3 - 5

**Key Cash Cost target  
World \$4-\$6/lb**

**\$3.20/lb**

**Payback period  
(US\$10/lb)  
World 2-7 years**

**<2 years**

# Note: Excludes the cost of the nickel laterite mine - assumes Chinese buy in ore from third parties

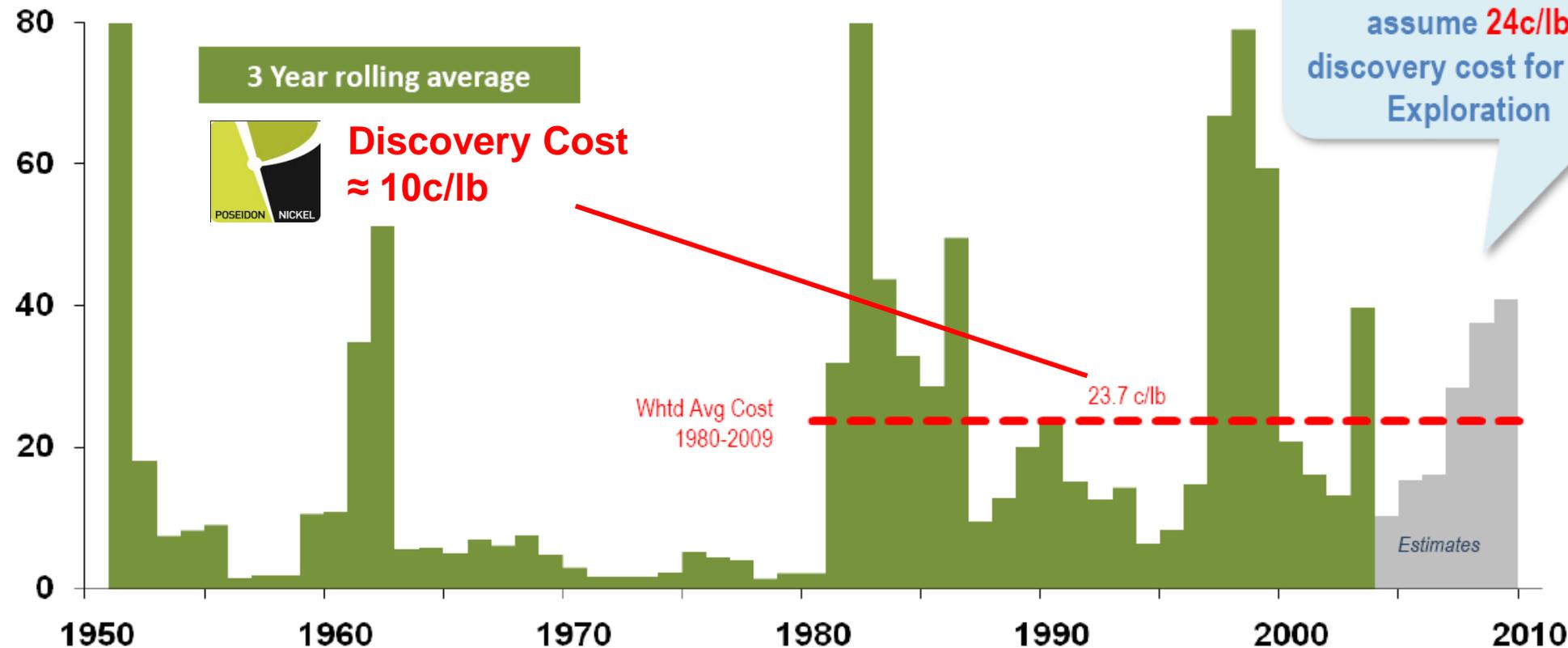
Caution: Indicative numbers only

# Discovery costs for NiS in Western World

Discovery costs are very cyclical

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US Cents per lb Ni in 2010\$



Note: The reported costs exclude credits for by-product metal  
Western World only

Source: MinEx Consulting Aug 2010

# Summary

- 110,000 tonne Nickel Resource
- Mt Windarra and Cerberus to be developed in tandem
- 10,000 T Nickel Output (\$150m p.a.)
- C1 cost \$3.20/lb (payable \$6.70)
- \$150m capital to build (\$60m from Asset Lease finance)
- China Non Ferrous to vendor finance concentrator
- Offtake offers underway

# Competent Person Statement

Windarra Nickel Project Sulphides	Cut Off Grade	Resource Category								
		Indicated			Inferred			TOTAL		
		Tonnes	Ni% Grade	Ni Metal t	Tonnes	Ni% Grade	Ni Metal t	Tonnes	Ni% Grade	Ni Metal t
<b>Mt Windarra</b>	0.75%	910,000	1.24	11,300	2,955,000	1.72	50,900	3,865,000	1.61	62,200
<b>South Windarra</b>	0.90%	820,326	1.15	9,434	82,404	1.05	864	902,730	1.14	10,300
<b>Cerberus</b>	1.25%	756,360	1.62	12,264	1,092,500	2.35	25,707	1,848,816	2.05	37,970
<b>Total Sulphide</b>		<b>2,486,686</b>	<b>1.33</b>	<b>32,998</b>	<b>4,129,904</b>	<b>1.88</b>	<b>77,471</b>	<b>6,616,546</b>	<b>1.67</b>	<b>110,470</b>

**Note:** The information in this report relates to Exploration Results and Mineral Resources based on information compiled by Mr N Hutchison, General Manager of Geology at Poseidon Nickel, who is a Member of The Australian Institute of Geoscientists and Mr I Glacken who is a Fellow of the Australasian Institute of Mining and Metallurgy as well as a full time employee of Optiro Pty Ltd. Mr Hutchison and Mr Glacken both 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Hutchison and Mr Glacken have 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 Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.



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# Resolution 1

## Adoption of Remuneration Report

<b>FOR:</b>	
<b>CHAIRMAN'S DISCRETION SHAREHOLDER</b>	<b>- 33,606,774</b>
<b><u>TOTAL FOR</u></b>	<b><u>33,606,774</u></b>
<b>AGAINST</b>	<b>1,398,117</b>
<b>ABSTAIN</b>	<b>11,232,361</b>
<b>PROXY DISCRETION</b>	<b>13,500</b>

# Resolution 2

## Re-Election of Mr Richard Monti

<b>FOR:</b>	
<b>CHAIRMAN'S DISCRETION SHAREHOLDER</b>	<b>2,083,128 43,778,737</b>
<b><u>TOTAL FOR</u></b>	<b><u>45,861,865</u></b>
<b>AGAINST</b>	<b>303,345</b>
<b>ABSTAIN</b>	<b>85,542</b>
<b>PROXY DISCRETION</b>	<b>-</b>

# Resolution 3

## Re-Election of Mr Christopher Indermaur

<b>FOR:</b>	
<b>CHAIRMAN'S DISCRETION</b>	<b>2,102,128</b>
<b>SHAREHOLDER</b>	<b>43,772,711</b>
<b><u>TOTAL FOR</u></b>	<b><u>45,874,839</u></b>
<b>AGAINST</b>	<b>305,275</b>
<b>ABSTAIN</b>	<b>70,638</b>
<b>PROXY DISCRETION</b>	<b>-</b>

# Resolution 4

## Adoption of Director Share Plan

<b>FOR:</b>	
<b>CHAIRMAN'S DISCRETION</b>	<b>1,597,261</b>
<b>SHAREHOLDER</b>	<b>32,468,651</b>
<b><u>TOTAL FOR</u></b>	<b><u>34,065,912</u></b>
<b>AGAINST</b>	<b>1,612,103</b>
<b>ABSTAIN</b>	<b>10,559,237</b>
<b>PROXY DISCRETION</b>	<b>13,500</b>

# Resolution 5

## Issue of Shares to Mr Richard Monti

<b>FOR:</b>	
<b>CHAIRMAN'S DISCRETION</b>	<b>1,586,261</b>
<b>SHAREHOLDER</b>	<b>40,896,285</b>
<b><u>TOTAL FOR</u></b>	<b><u>42,482,546</u></b>
<b>AGAINST</b>	<b>1,669,278</b>
<b>ABSTAIN</b>	<b>2,085,428</b>
<b>PROXY DISCRETION</b>	<b>13,500</b>

# Resolution 6

## Issue of Shares to Mr Andrew Forrest

<b>FOR:</b>	
<b>CHAIRMAN'S DISCRETION SHAREHOLDER</b>	<b>1,586,261 37,021,781</b>
<b><u>TOTAL FOR</u></b>	<b><u>38,608,042</u></b>
<b>AGAINST</b>	<b>1,524,464</b>
<b>ABSTAIN</b>	<b>6,104,746</b>
<b>PROXY DISCRETION</b>	<b>13,500</b>

# Resolution 7

## Issue of Shares to Mr Geoff Brayshaw

<b>FOR:</b>	
<b>CHAIRMAN'S DISCRETION</b>	<b>1,586,261</b>
<b>SHAREHOLDER</b>	<b>41,081,969</b>
<b><u>TOTAL FOR</u></b>	<b><u>42,668,230</u></b>
<b>AGAINST</b>	<b>1,638,203</b>
<b>ABSTAIN</b>	<b>1,930,819</b>
<b>PROXY DISCRETION</b>	<b>13,500</b>

# Resolution 8

## Issue of Shares to Mr Christopher Indermaur

<b>FOR:</b>	
<b>CHAIRMAN'S DISCRETION SHAREHOLDER</b>	<b>1,586,261 41,809,607</b>
<b><u>TOTAL FOR</u></b>	<b><u>43,395,868</u></b>
<b>AGAINST</b>	<b>1,478,828</b>
<b>ABSTAIN</b>	<b>1,362,556</b>
<b>PROXY DISCRETION</b>	<b>13,500</b>

# Resolution 9

## Issue of Bonus Shares to Mr David Singleton

<b>FOR:</b>	
<b>CHAIRMAN'S DISCRETION</b>	<b>1,586,261</b>
<b>SHAREHOLDER</b>	<b>39,870,327</b>
<b><u>TOTAL FOR</u></b>	<b><u>41,456,588</u></b>
<b>AGAINST</b>	<b>1,545,203</b>
<b>ABSTAIN</b>	<b>3,235,461</b>
<b>PROXY DISCRETION</b>	<b>13,500</b>

# Resolution 10

## Cancellation of Partly Paid Shares

<b>FOR:</b>	
<b>CHAIRMAN'S DISCRETION</b>	<b>2,154,063</b>
<b>SHAREHOLDER</b>	<b>43,115,571</b>
<b><u>TOTAL FOR</u></b>	<b><u>45,269,634</u></b>
<b>AGAINST</b>	<b>662,130</b>
<b>ABSTAIN</b>	<b>318,988</b>
<b>PROXY DISCRETION</b>	<b>-</b>

# Resolution 11

## Cancellation of Amount Called but unpaid on Partly Paid Shares

<b>FOR:</b>	
<b>CHAIRMAN'S DISCRETION</b>	<b>2,169,113</b>
<b>SHAREHOLDER</b>	<b>42,752,805</b>
<b><u>TOTAL FOR</u></b>	<b><u>44,921,918</u></b>
<b>AGAINST</b>	<b>817,846</b>
<b>ABSTAIN</b>	<b>510,988</b>
<b>PROXY DISCRETION</b>	<b>-</b>



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