

20th January 2012

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

Dear Sir

**Re: WINDARRA NICKEL PROJECT FINAL DOCUMENTATION FOR APPROVALS NOW
SUBMITTED TO DEPARTMENT OF STATE DEVELOPMENT IN WA**

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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Principal Office

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Registered Office

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Media Enquiries

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FT Consulting
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Home Exchange

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

ASX Announcement

20th January 2012

**Windarra Nickel Project final documentation for approvals
now submitted to Department of State Development in WA**

- **Poseidon has now submitted all of the necessary Windarra Nickel Project Mining Proposals and Works Approvals to the Department of State Development**
- **Proposal outlines plans for approximately 700,000 tonne per annum production from Mt Windarra and Cerberus combined**
- **Approvals are expected in March 2012**

Poseidon Nickel (Poseidon) is pleased to announce that it has submitted detailed Mining Proposals and Works Approvals for the Windarra Nickel Project to the Western Australian Government in order to seek approval to both restart mining operations and to build a processing plant on the site. The Mt Windarra proposal was submitted in November 2011 and the remaining project proposals including Cerberus, co-product treatment and tailings disposal have now been submitted. No further mining proposals are required prior to operational start up.

The proposal includes mining up to 700,000 tonnes of ore per annum from both Mt Windarra and Cerberus combined with an initial mine life of six years. The Windarra Project has a resource base of 9.2 million tonnes of ore at an average nickel grade of 1.51%.

Poseidon plan to build a 700,000 tonne capacity nickel sulphide concentrator to process ore from Mt Windarra and from the Cerberus mine. The indicated construction time for the plant and associated infrastructure is approximately 12 months and will be built largely inside the footprint of the historical plant. The size of the plant selected provides good economies of scale and processing costs are likely to be in line with other nickel peer producers in Western Australia.

The Mining Proposal application includes the following major infrastructure:

- Existing underground mine, ventilation shafts, access portal and underground crusher chamber.
- Refurbishment of existing vertical haulage shaft to reduce decline haulage costs.
- Flotation concentrator plant including power plant and water.
- Accommodation camp, use of exiting administration buildings, workshops and lay down areas.
- Development of the Cerberus underground access portal.
- Tailings storage facilities.
- Co-product treatment facilities.

The development proposals have been submitted to the Western Australian Department of State Development in compliance with the 'Poseidon Nickel Agreement Act 1971,' the associated Variation Agreement and Deed of Covenant. The Act envisages a response by the Government within two months of the final Application being submitted.

Poseidon Nickel is developing the Windarra Nickel Project in Western Australia. The project is a higher grade nickel sulphide deposit that has demonstrated high recovery levels through a standard nickel floatation concentrator. The total current Mineral Resource is located at two positions approximately 10kms apart and includes the existing brownfields mine at Mt Windarra and a new discovery at Cerberus. Poseidon is on track to complete its definitive feasibility study in early 2012 and is targeting initial concentrate production in 2013. The concentrator plant to be constructed at Mt Windarra is expected to have a nameplate capacity of 700,000 tonnes of ore per annum.

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
Mt Windarra	0.75%	910,000	1.24	11,300	2,955,000	1.72	50,900	3,865,000	1.61	62,200
South Windarra	0.80%	771,665	0.98	7,533	-	-	-	771,665	0.98	7,533
Cerberus	0.75%	2,773,041	1.25	34,637	1,777,743	1.91	33,996	4,550,784	1.51	68,633
Total Sulphide		4,454,706	1.20	53,470	4,732,743	1.79	84,896	9,187,449	1.51	138,366

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.