



Australia's New Nickel

Earth's Resources Conference

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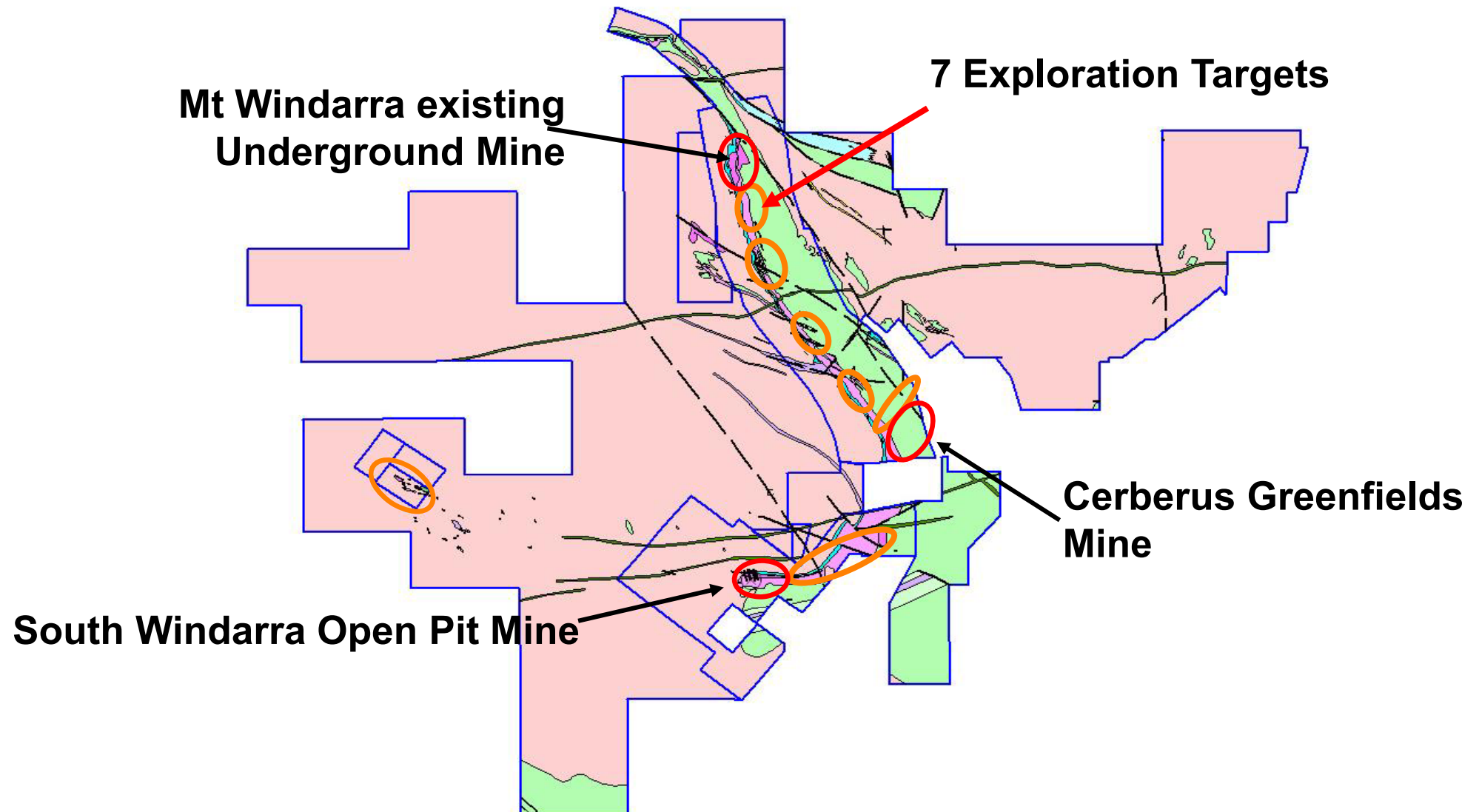
Australia's New Nickel

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- One of few 'new' high grade nickel sulphide mines in world (& largest 'new' mine in Australia)
- Production planned commencement in 2013
- 10,000 tonne p.a. output in Phase 1
- 18,000 tonne p.a. output in Phase 2 from circa 2017

Initial production from Mt Windarra (Brownfield) and Cerberus (Greenfield) mines

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The Windarra Nickel Project is moving into production

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- Definitive feasibility study complete
- Independent Technical Expert reviewing DFS target June 2012
- Final Government permitting underway. Target late June
- Approx 12 month construction timeline
- First saleable concentrate late 2013

Mt Windarra Mine Site

Main Portal
Entrance

Vertical Shaft
Headframe

Core Yard

Power
Plant

Main Offices
& Workshops

Tailings
Ponds &
Airstrip



The “Central Business District” for Mining

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- Access to ‘external’ infrastructure means all capex spent on the project site
- Many world class Gold and nickel mines close by
- Direct access by road & rail to export ports of Fremantle & Esperance

Key Points

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- 10 year initial resource life
- 3.5 year gold tailings retreatment commences 2013
- First concentrate planned for late 2013
- Cash cost US\$3.30/lb average (payable approx \$4.60/lb*)
- Total remaining capital investment circa \$180m
- \$28m debt & equity package fully underwritten in April 2012
- Final financing expected to complete in 3rd Quarter 2012

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

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RESOURCE 2007*

RESOURCE 2011*

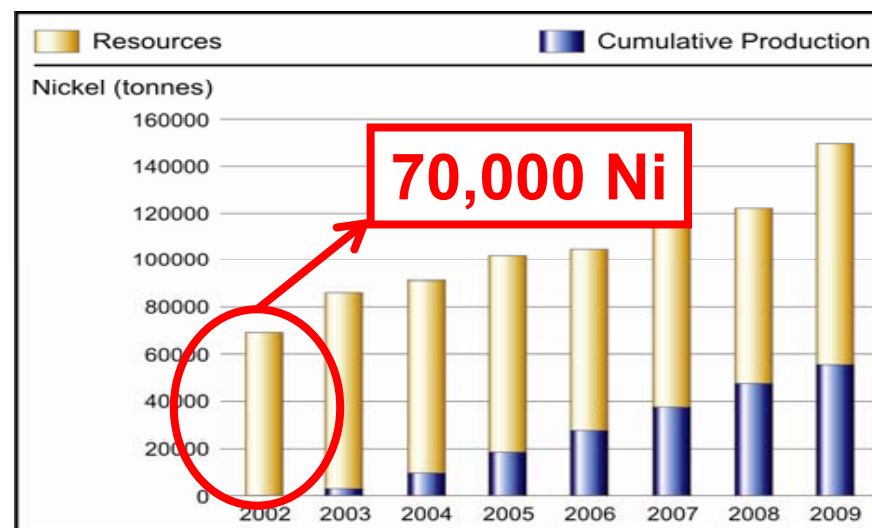
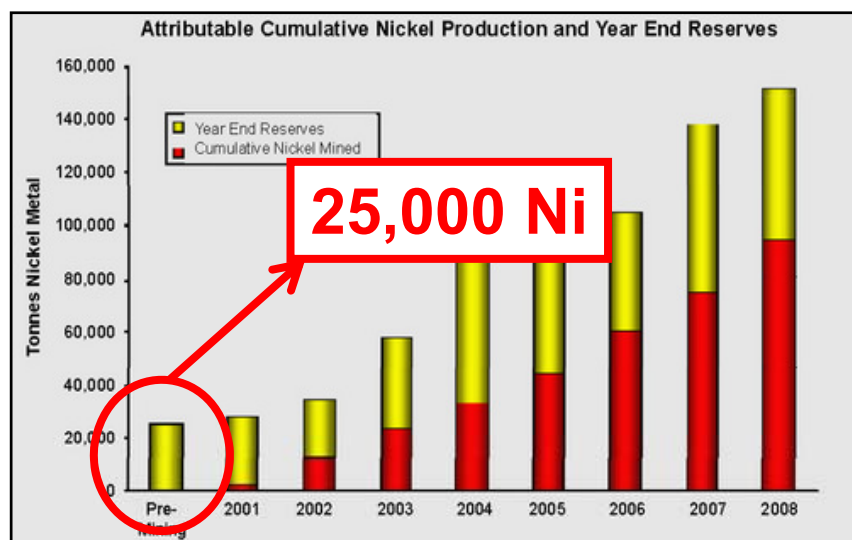
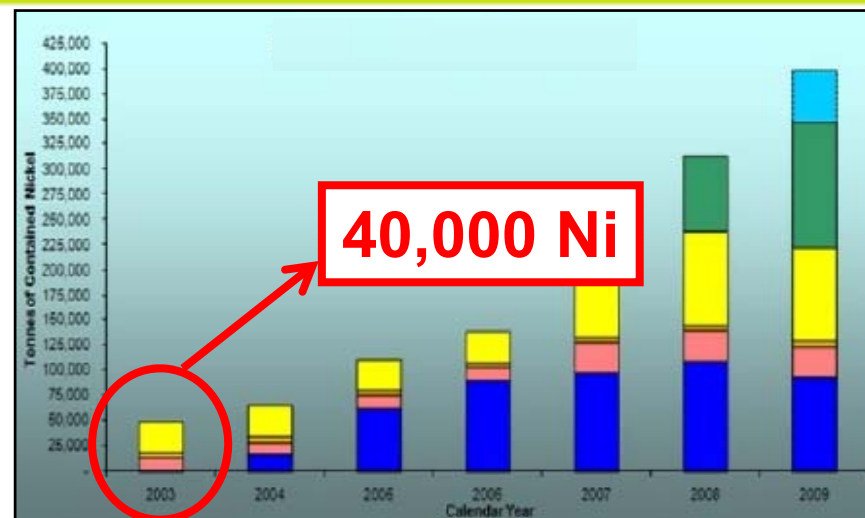
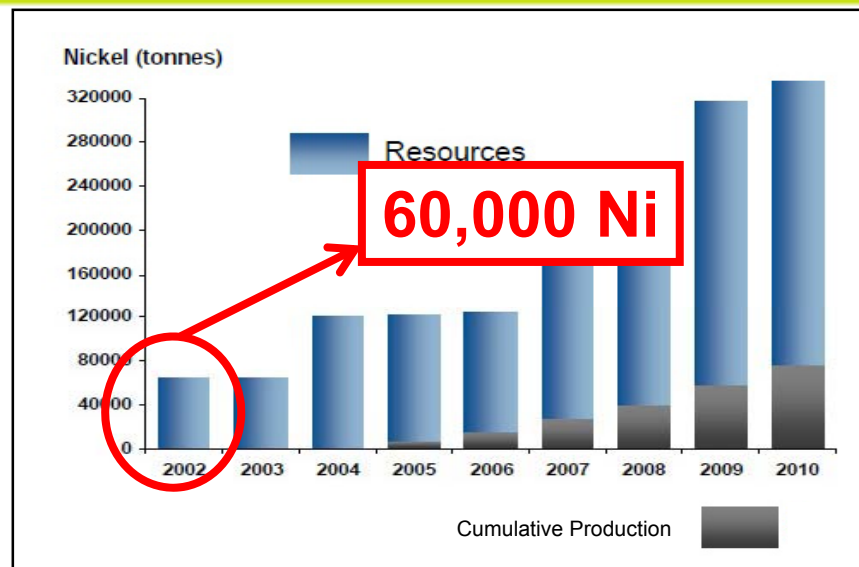
Mt Windarra	NIL	62,200 Ni @ 1.61%
Cerberus	Unknown	68,633 Ni @ 1.51%
South Windarra	NIL	7,533 Ni @ 0.98%

– Spent \$77m developing assets

*JORC compliant

Poseidon's 138,000 tonne nickel resource compares well with successful peers at start up

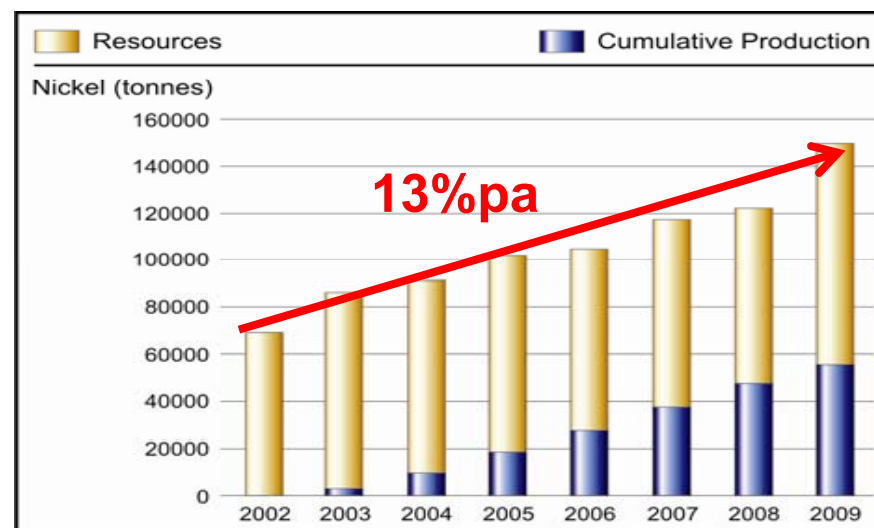
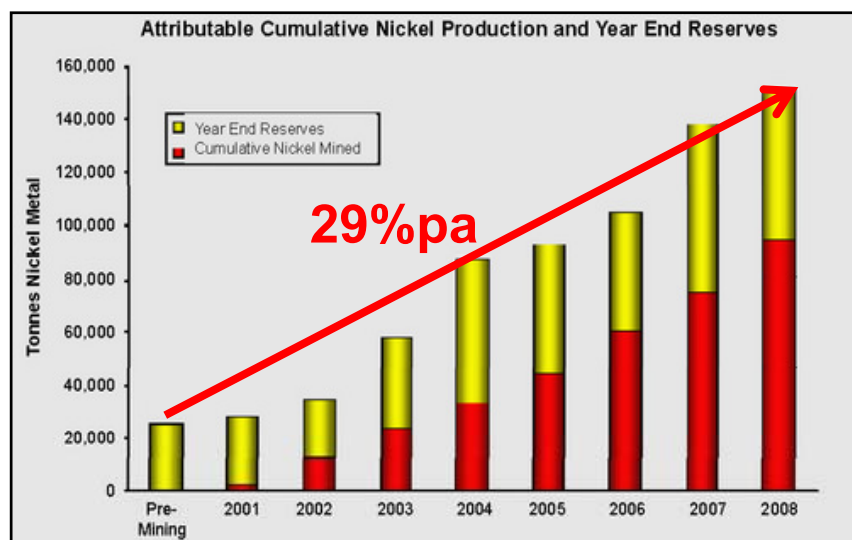
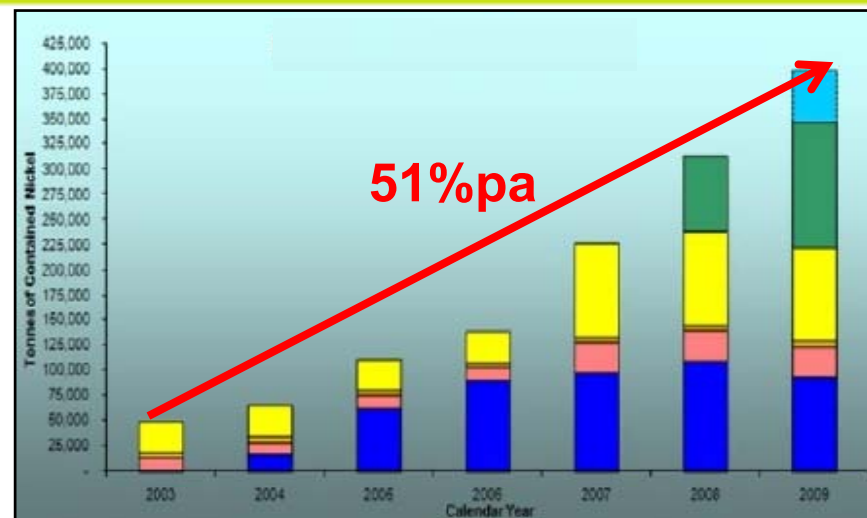
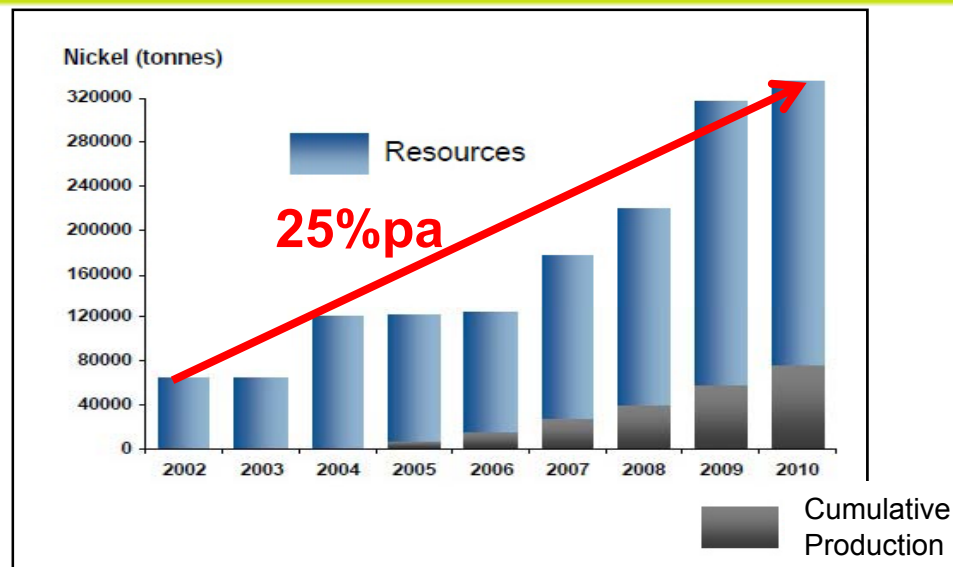
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Approximate pre-mining resources using publicly available information

West Australian Peers have replaced resources faster than they have mined them

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

Ready To Go with \$50m of built mine infrastructure

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Mt Windarra - Vertical Ore Shaft Headframe



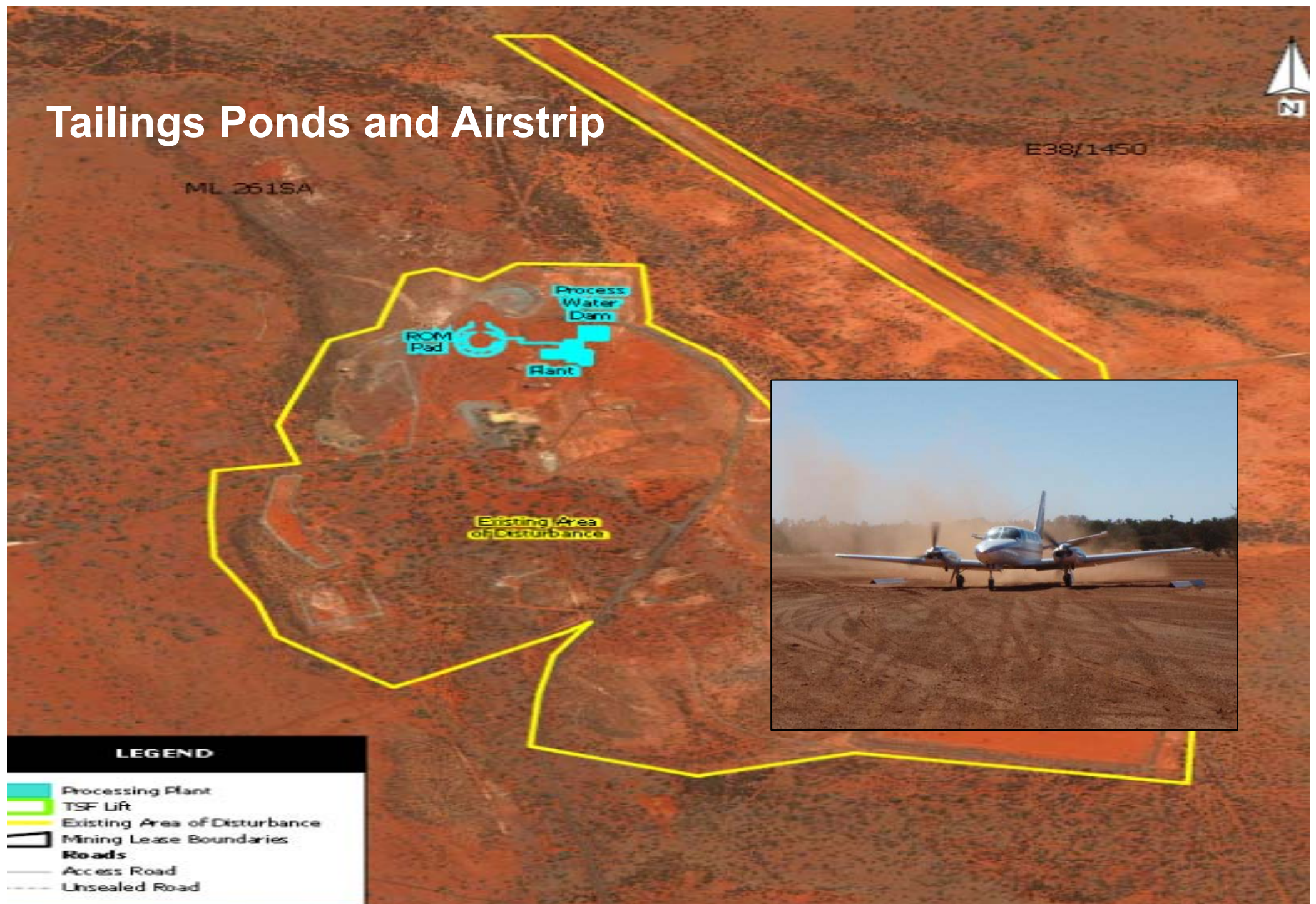
On Site Accommodation Expansion Completed June 2011



Mt Windarra - Power Plant Expansion



Tailings Ponds and Airstrip



South Windarra - In the desert the most valuable resource is water



The final refurbishment of the underground mine is underway

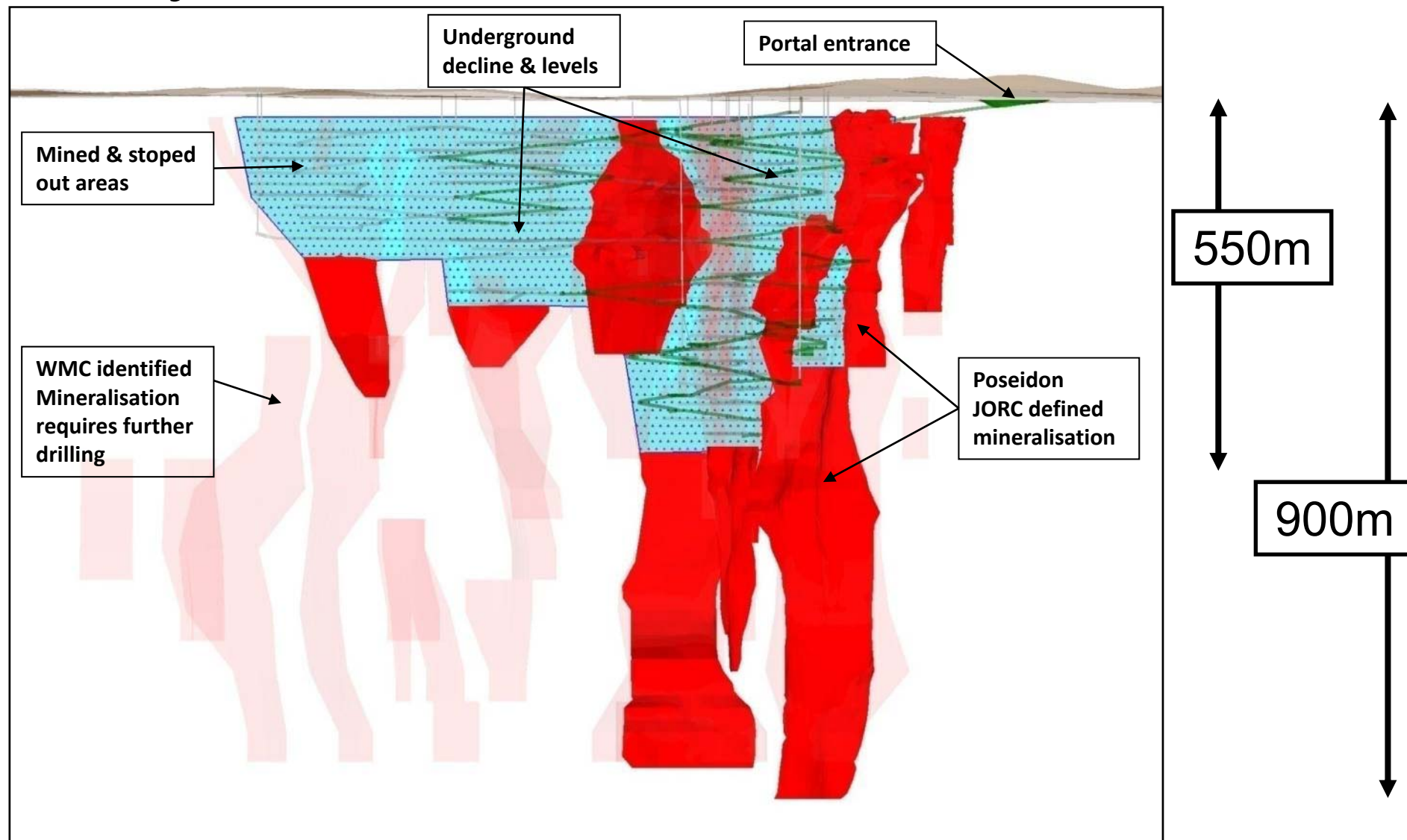
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- Mining & refurbishment equipment on site and in operation
- 2.5 kilometres of decline refurbishment completed to date
- Refurbishment will complete to 450m in 2012



Mt Windarra mined to 550m with ore body continuity to at least 900m

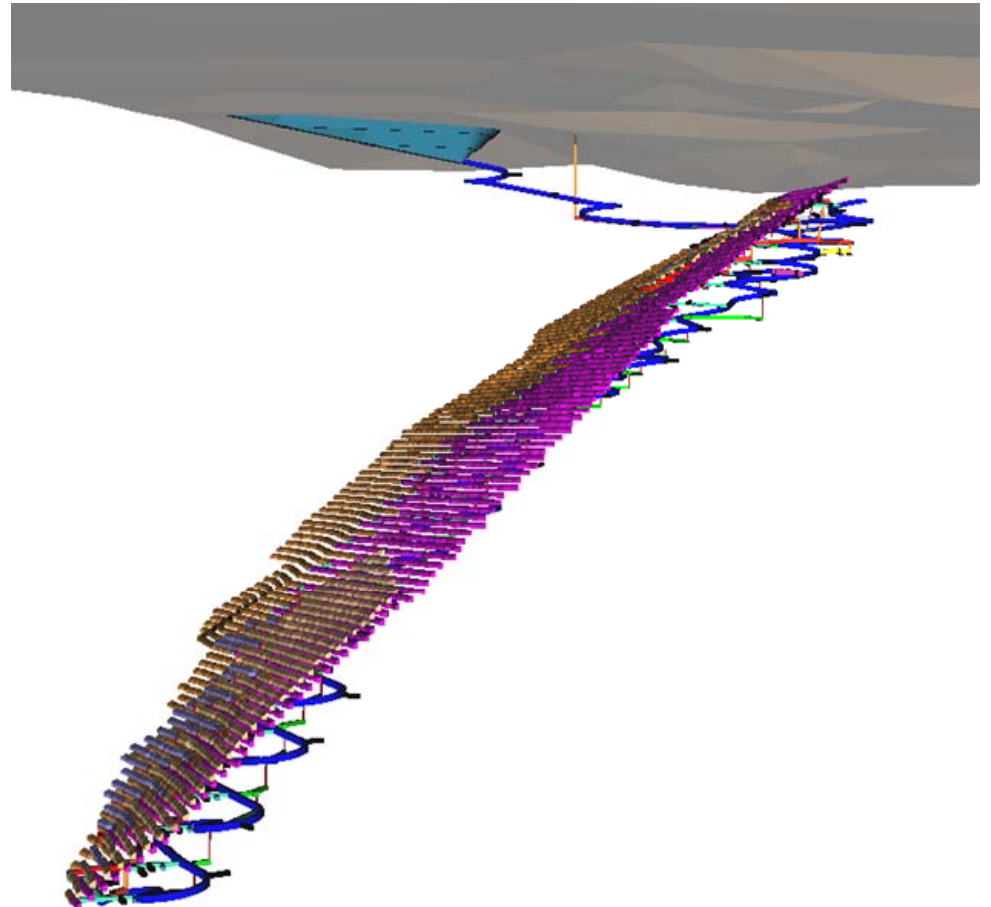
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Cerberus is one of the few new discoveries in Australia in recent years

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- Discovered during Poseidon's first and only regional drilling campaign indicating more discoveries likely
- Cerberus is an underground deposit commencing 64m from surface
- Mine is high grade, continuous and extends over 1.4km to a known depth of 700m & 400m wide
- Ore will be trucked 10kms to the Mt Windarra concentrator
- Drilling indicates significant resource expansion likely



Tailings Retreatment Facilities

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- 20 year production profile has left a tailings inventory of circa 50,000 ounces gold (post recovery)
- Definitive Feasibility Study completed for Au with 3.5 year life
- Potential for additional Gold production



New Build Concentrator

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- 700,000 tonne concentrator to take Mt Windarra & Cerberus Ore without need for blending or batching
- Will produce approx 10,000 tonnes nickel in concentrate per annum
- Standard crush, grind, float, dry plant - low risk & well understood
- Engineering completed and fixed price lump sum received from Arccon (Australia)



Project Economics

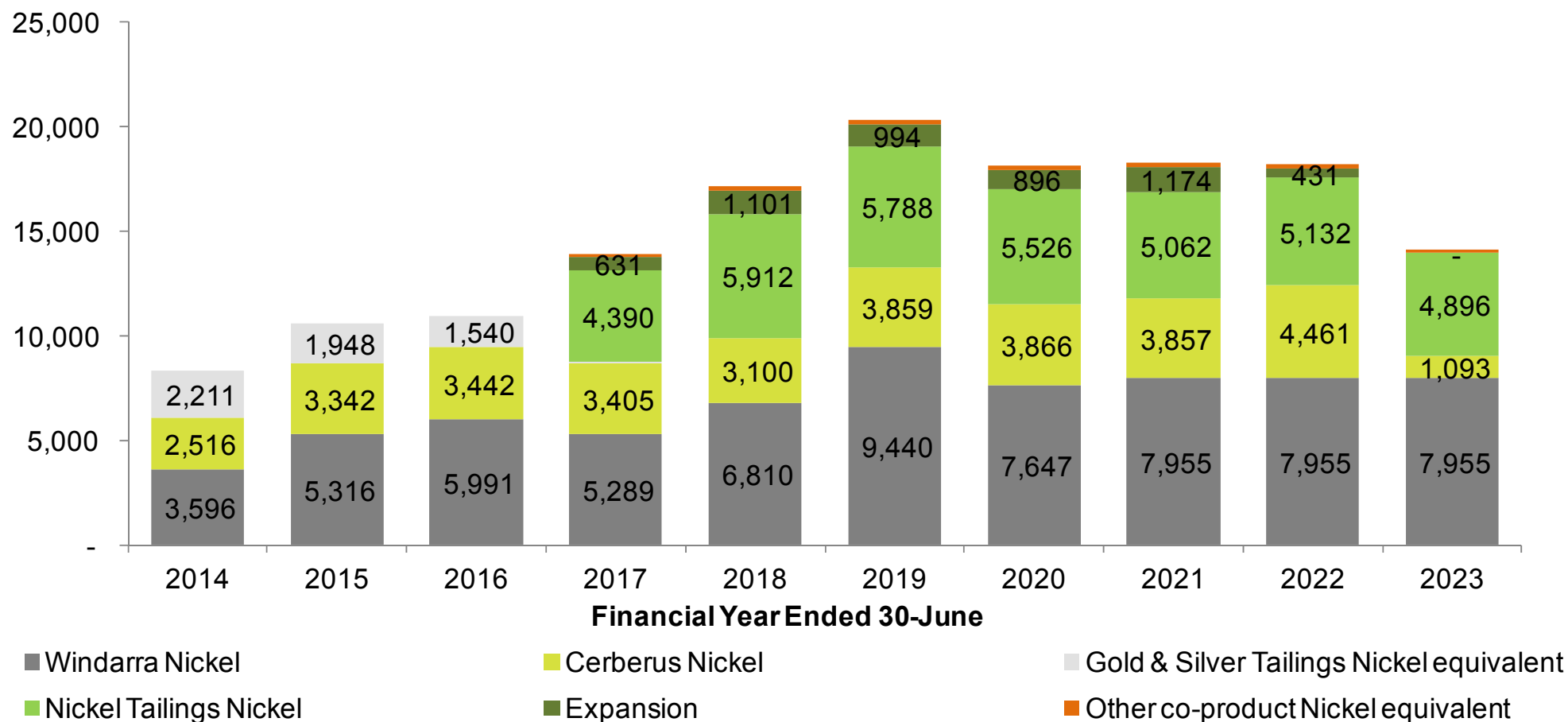
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Output planned to rise in 2 stages to over 18,000t Nickel

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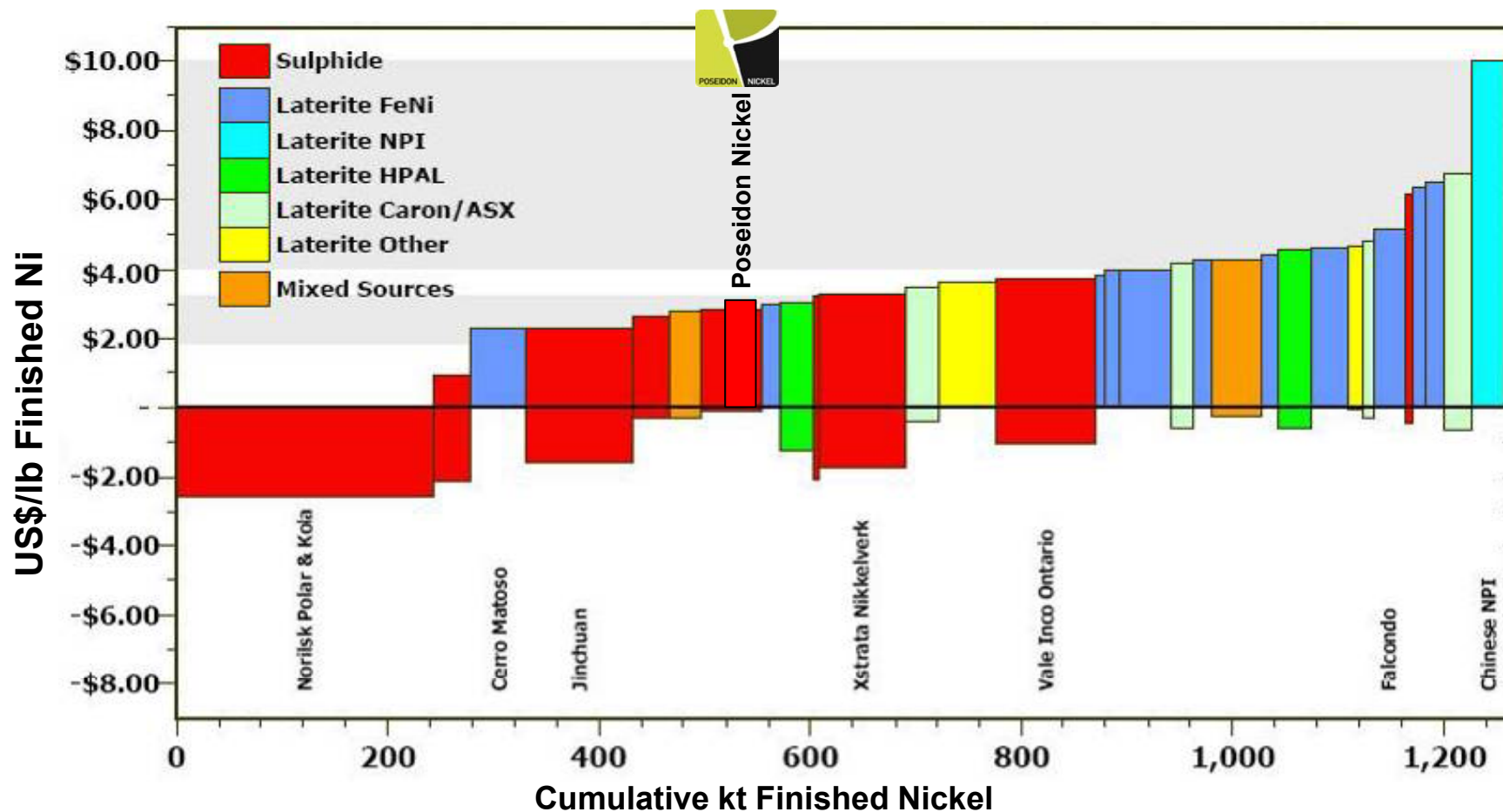
Production Profile

Tonnes Nickel Equivalent



Low Cash Cost Producer \approx US\$3.30/lb

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Metalytics cost data

*based on full output. See assumptions book not in presentation

Poseidon cash cost is average over life of project

Project Economics for Various Nickel Processing Routes : 2011

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			Sulphide Ore		Laterite Ore	
			Concentrator	Heap Leach	High Pressure Acid Leach	Nickel Pig Iron (NPI)
						existing new BF
Ore Grade	(% Ni)		1.5 to 2.5%	1.0 to 1.2%	1.0 to 1.5%	1.4 - 1.8% 1.4 - 1.8%
Production	(ktpa Ni)		5 - 10	20 - 25	40 - 60	5 - 10 5 - 10
Capital Intensity	(\$/lb pa)		\$10 - \$20	\$10 - \$20	\$25 - \$40	\$1 - \$2 # \$8 - \$20 #
Cash Cost	(\$ lb Ni)	no credits	\$5 to \$7	\$4 - \$5	\$4 - \$6	\$8 - \$10 \$8 - \$10
		with credits	\$4 - \$6	\$3 - \$4	\$3 - \$5	\$7 to \$10 \$7 to \$10
Payback period	(years)	no credits	2 - 7 years	2 - 4 years	4 - 10 years	>1 year 5 - never
		based on \$10/lb Ni with credits	2 - 5 years	2 - 3 years	3 - 5 years	~1 year 5 - never

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

Caution: Indicative numbers only

Source: MinEx Estimates June 2011

Project Economics for Various Nickel Processing Routes : 2011

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



\approx \$5-\$6/lb p.a

Sulphide Ore		Lat
Concentrator	Heap Leach	High P Acid
1.5 to 2.5%	1.0 to 1.2%	1.0 t
5 - 10	20 - 25	40
\$10 - \$20	\$10 - \$20	\$25
\$5 to \$7	\$4 - \$5	\$4
\$4 - \$6	\$3 - \$4	\$3
Payback period (years)	no credits	2 - 7 years
based on \$10/lb Ni	with credits	2 - 5 years

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



\$3.30/lb

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



2-3 years

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

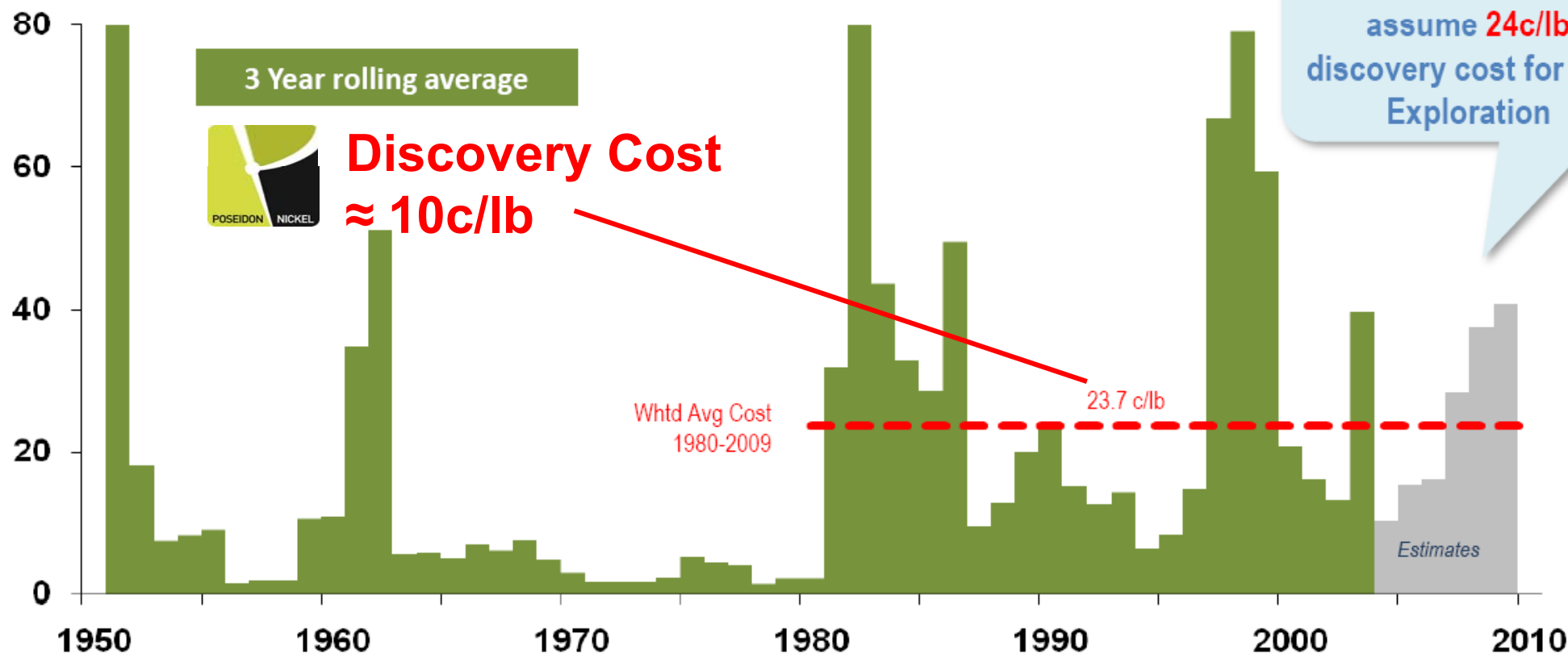
Caution: Indicative numbers only

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

MinEx Consulting

Strategic advice on mineral economics & exploration

Summary

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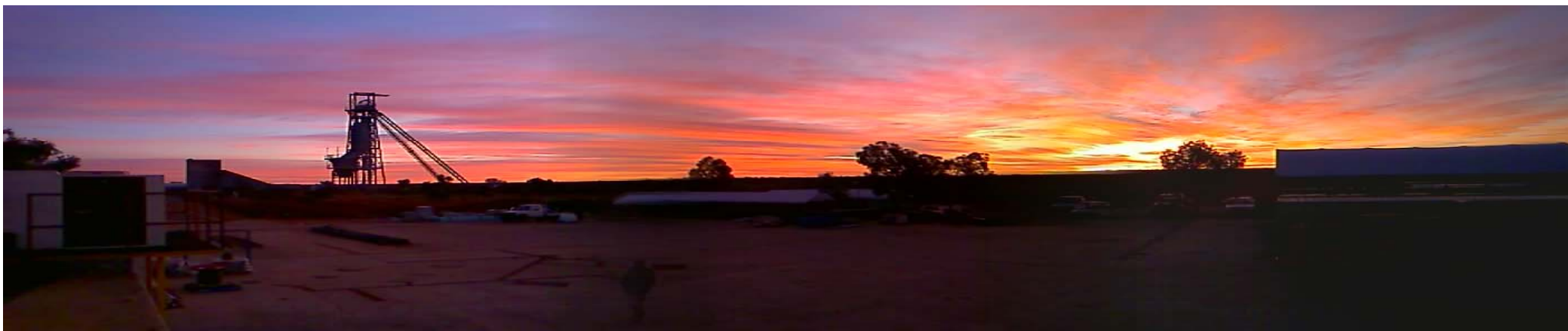
- 138,000 tonne Nickel Resource
- Over 18,000 tonne Nickel output
- \$28m debt/equity finance underwritten
- Final Debt financing well advanced
- First production objective mid 2013

Resource Table

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.



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