



Australia's 'New' Nickel

**Annual General Meeting
21 November 2012**

David Singleton, MD & CEO

POSEIDONNICKEL

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Poseidon Nickel Highlights

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Poseidon's Windarra Nickel Project is the only 'new' nickel sulphide producer developed in Western Australia over the last 10 years



Low risk - fast start project



Strong competitive position - 2nd quartile cash cost position and low capital intensity



Revenue diversification from two operating mines and gold co-product



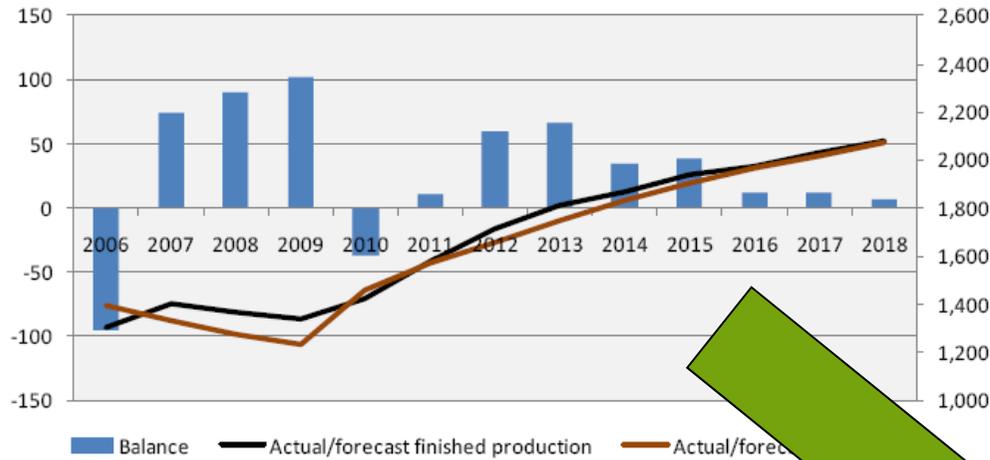
Opening resource size higher than similar successful peers at same stage and significant resource extension potential



Approvals received. DFS complete.

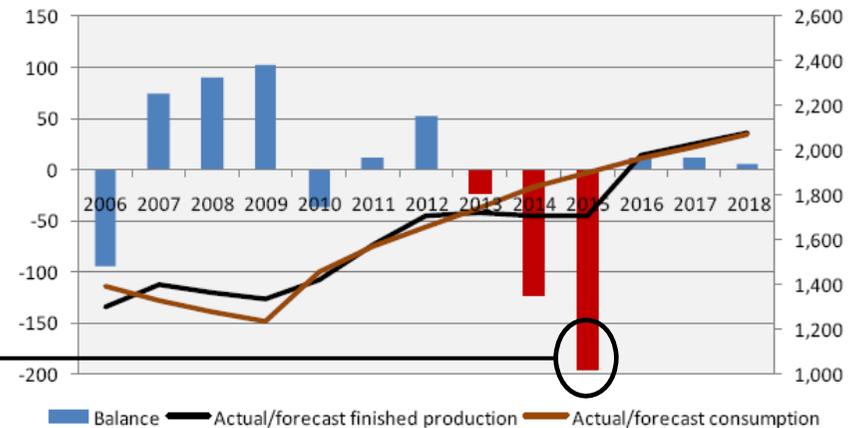
AME Group predict a looming supply shortage because of supply risks

From forecast oversupply



To huge under supply in 2015

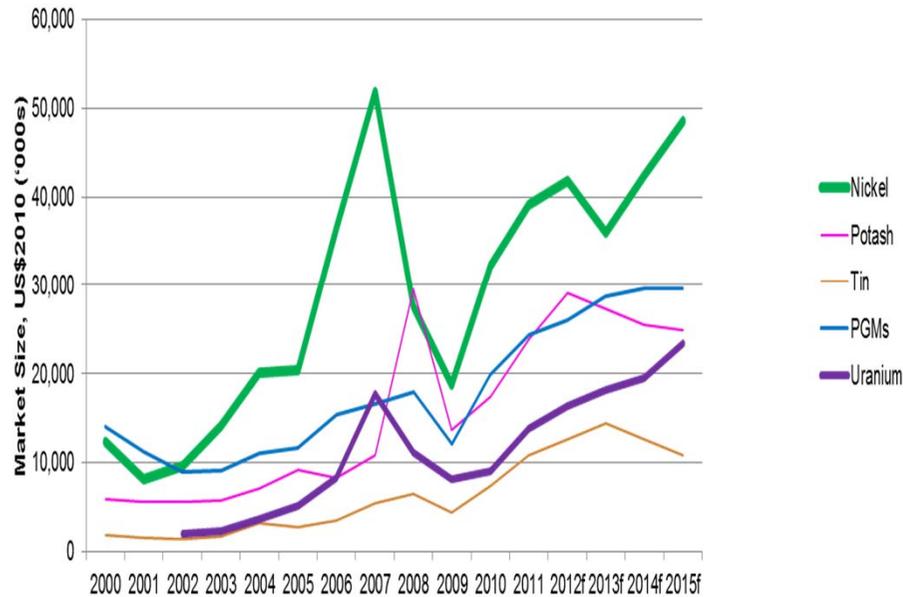
Finished Nickel Market Balance, 2006 – 2018e



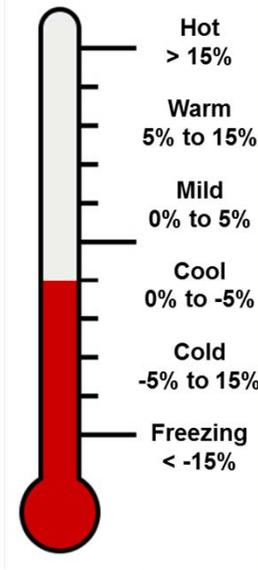
Deficit represents circa 10% of demand

Ni Market: CRU predicts a strong outlook

Focus on Commodities under \$50Bn



Nickel to rise in relative price



Palladium, Tin, Zinc, Uranium, Alumina, Aluminium, Platinum, Lead, **Nickel, Met Coke**

Vanadium, Phosphate DAP, Cobalt

Iron Ore, Manganese, Gold, Copper, Coking Coal

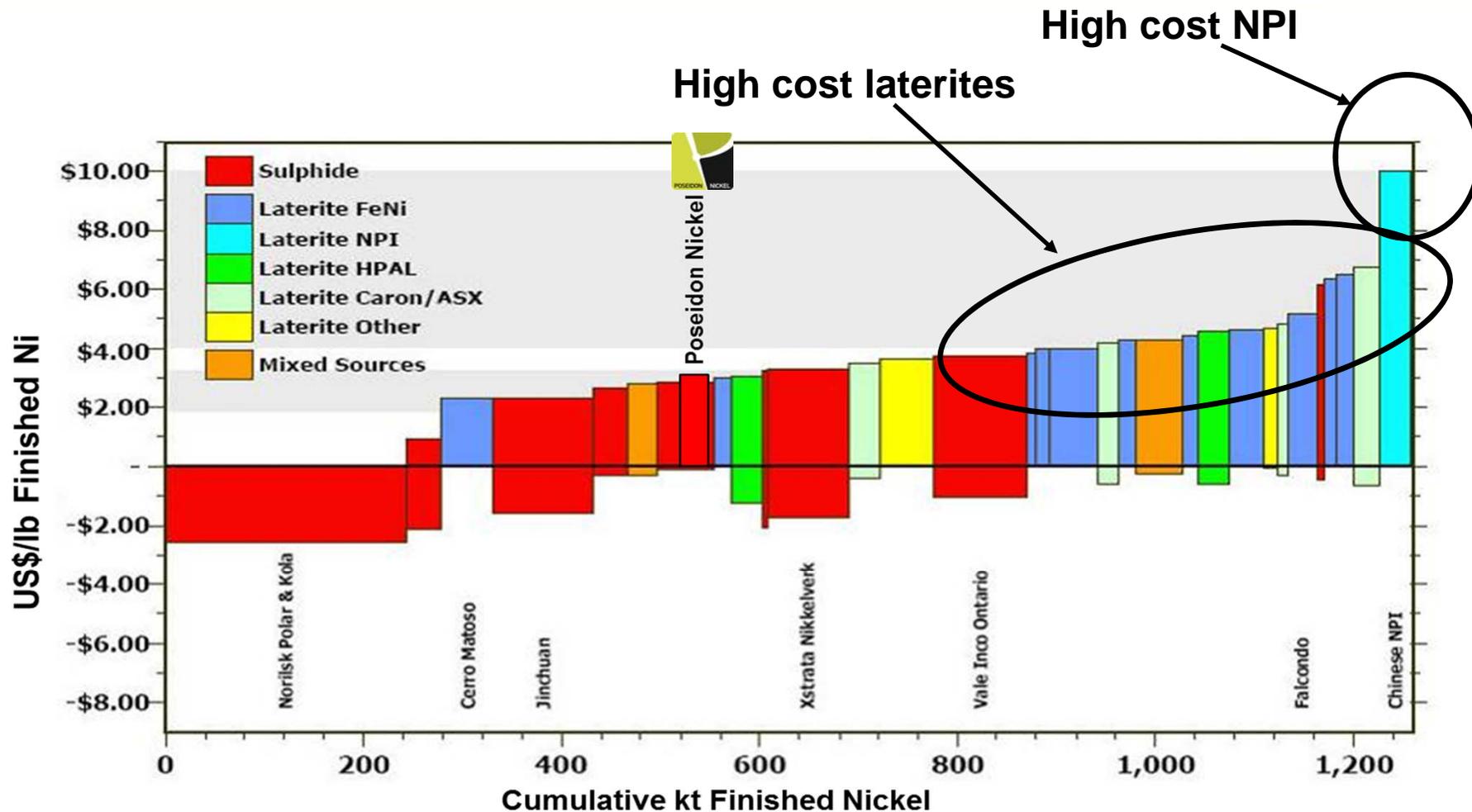
Potash, Ammonia, Urea, Silver, Sulphuric Acid, Sulphur

Brook Hunt predicting sulphide material smelter supply gap from 2015



Source: Brook Hunt - A Wood Mackenzie Company

Poseidon 2nd Quartile producer - AME



Low Risk, High Growth Prospect Nickel Sulphide Project

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Low Risk

- 20 year operating history:
 - Low capital intensity \$9/lb Poseidon - laterites \$35-\$50/lb
 - 2nd Quartile cash producer
- Standard configuration plant producing smelter grade product

Resource Growth Potential

- New Cerberus orebody proves the potential for further deposits along the 24km Windarra belt
 - Discovered in 2008 using modern underground electromagnetic technology
 - Reserve announcement made
 - Similar flotation and processing characteristics to Mt Windarra

Plant Capacity

- 700,000 tonne initial throughput concentrator
 - Design of plant, camp, power, water, tailings disposal complete
 - Fixed price contract
 - 12 month build programme

Gold Production

- Ramp up cashflows supported by gold retreatment circuit
 - Initial 5mt resource
 - Expected output will be 51,000 total ounces in the first 3 years
 - Other local resources?

Current Status

Background

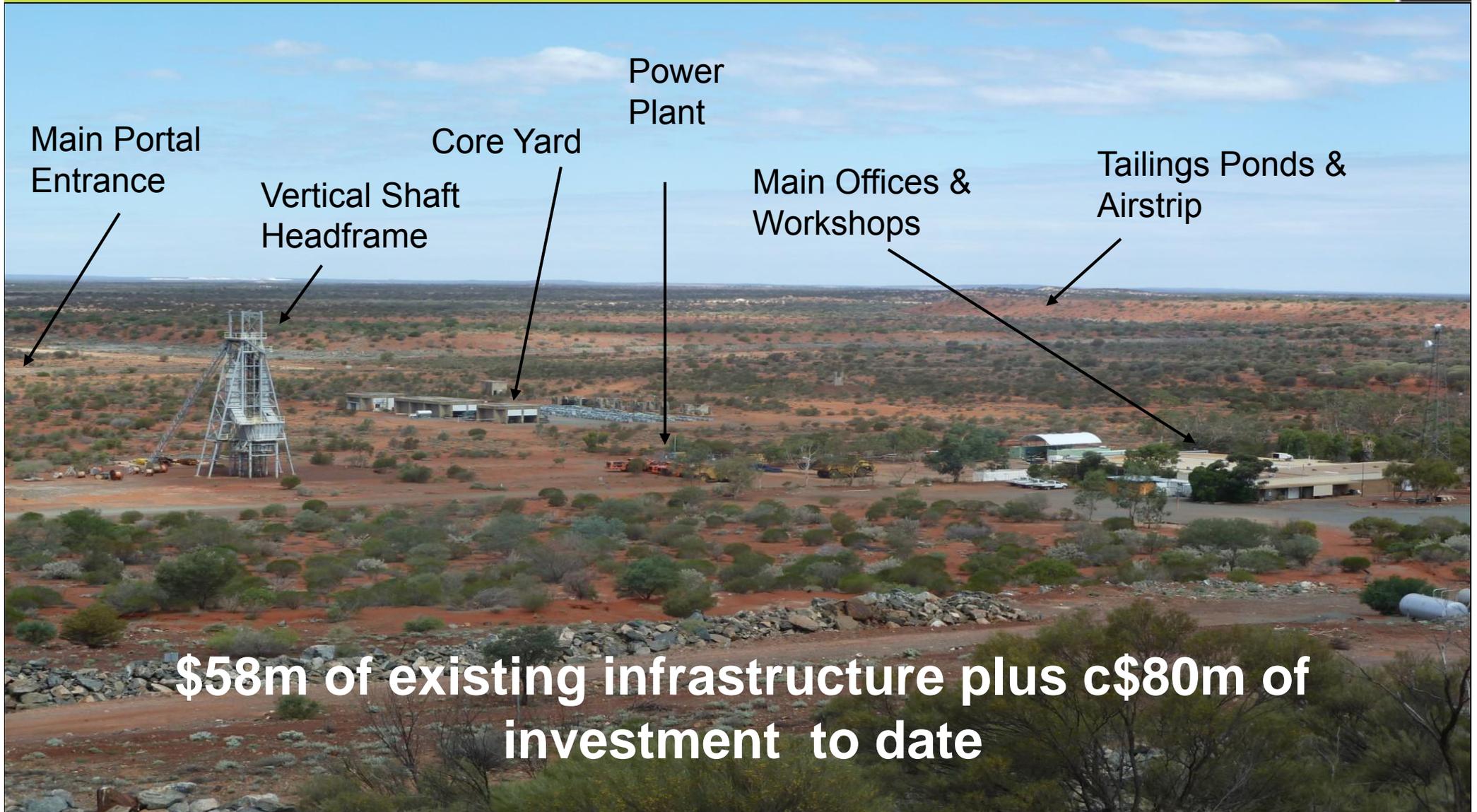
- Initial DFS completed in February.
- Past 8 months used to optimise mine plan and production schedule

November 2012

- DFS has been reviewed by independent technical expert. Report early Dec.
- DFS findings released so far
 - Initial life of circa 10 years
 - Output increase in year 3 from 10,000 to circa 15,000 tonnes nickel in concentrate
- State Government approvals received
 - Includes all environmental and construction licences
 - Subject only to final financing (State Agreement requirement)

Mine Site Operational with refurbishment & drilling

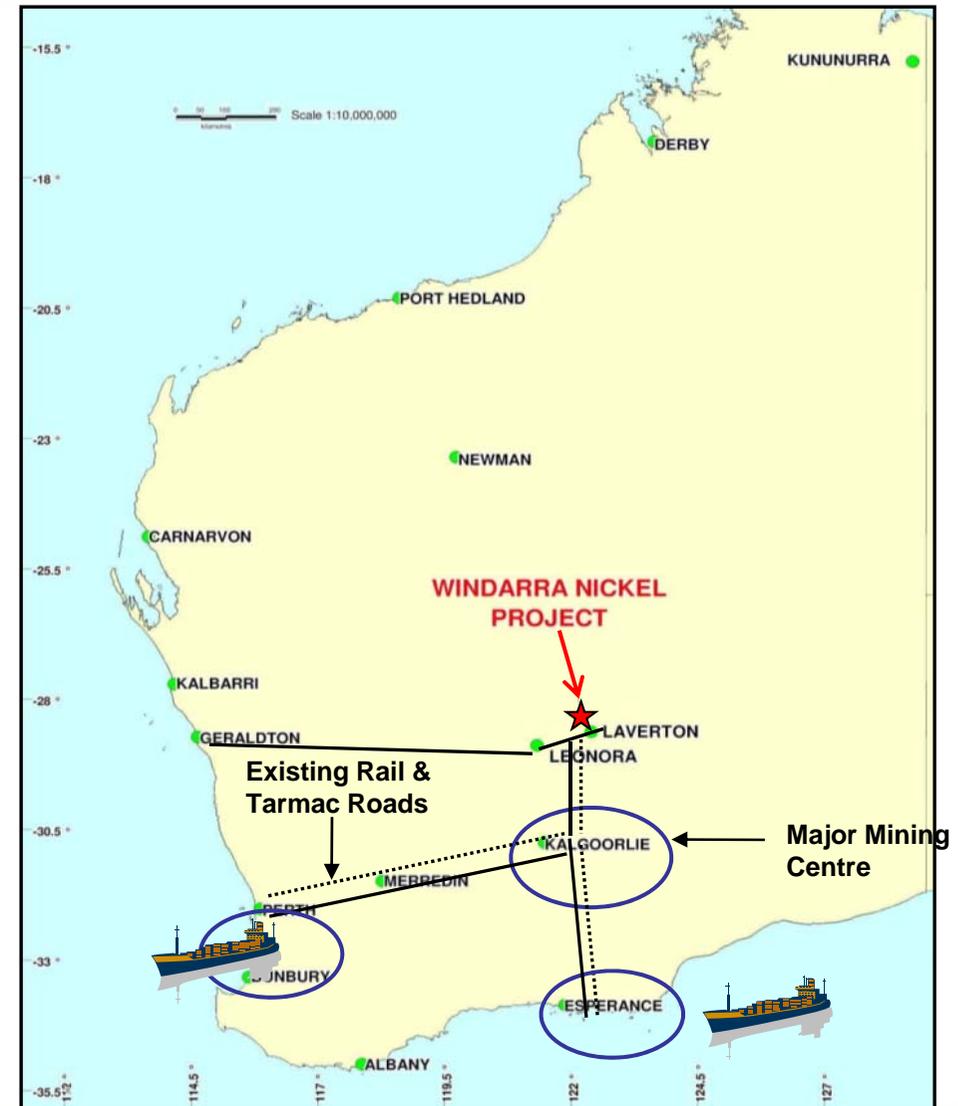
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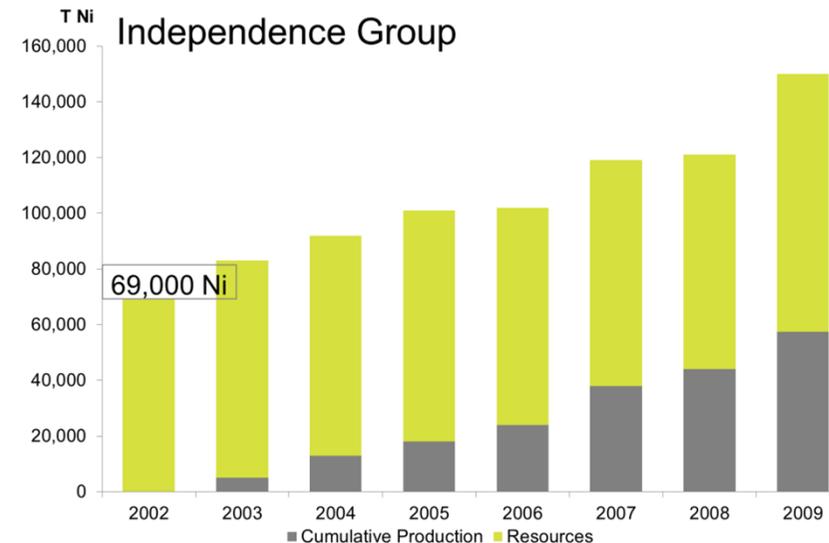
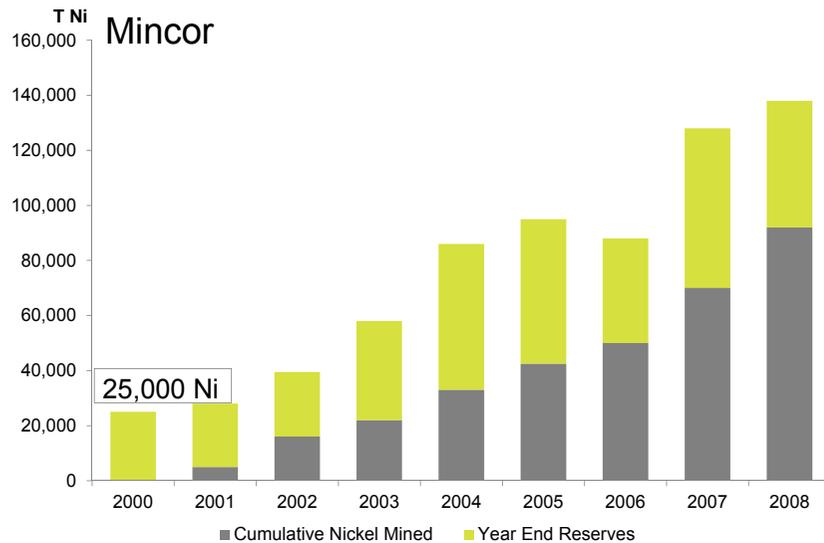
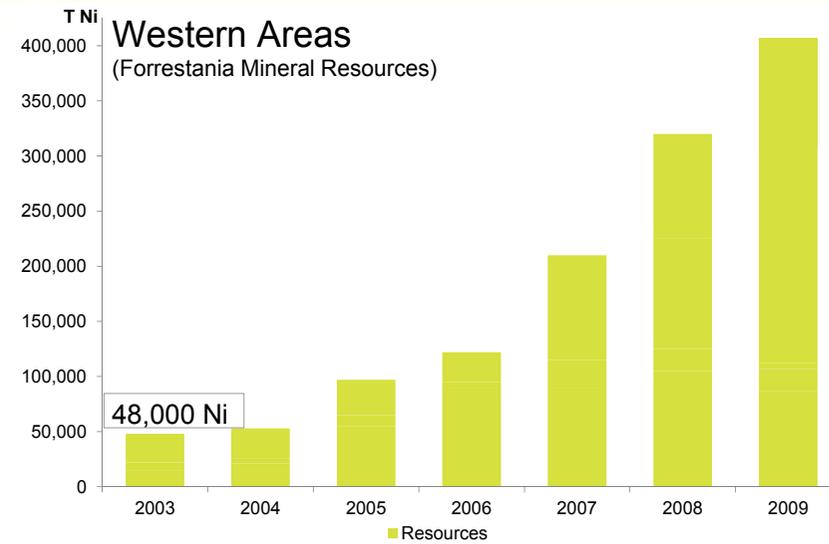
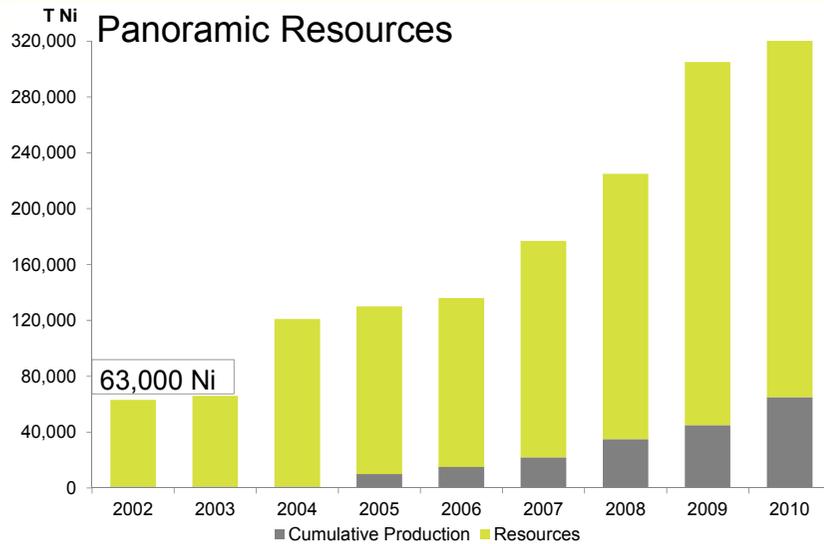
Clean concentrate ideal for ‘hungry’ smelter market

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- **Clean concentrate:**
 - 82% Nickel Recovery
 - 12% smeltable concentrates
 - Low impurities inc. MgO & Arsenic
- **Offtake offers:** Received from multiple parties
 - Right of refusal to BHP on similar terms
- **Multiple export markets and routes**
 - Laverton site connected by main roads and 80km from rail
 - Geraldton bulk using Rotobox system preferred option due to cost and complexity
 - Esperance bulka bags
 - Fremantle by container



Poseidon's 144,000 tonne nickel resource compares well with successful peers at start up



Approximate pre-mining resources using publicly available information

Poseidon has mirrored its peers with an annualised growth rate of 26% indicating potential to extend current 10 year mine life



Next Steps

- Reserves Update due soon - Mt Windarra and Gold
- Underground drilling to start at Mt Windarra in days
- Financing target early 2014

Key Facts: Resource Table

Cerberus Nickel Project	Reserve Category - Nickel Sulphides		
	Probable		
	Tonnes	Ni% Grade	Ni Metal t
Total	1,221,000	1.30	15,880

Windarra Nickel Project Sulphides	Cut Off Grade	Resource Category - Nickel Sulphides								
		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%	974,000	1.25	12,400	2,977,000	1.88	55,900	3,951,000	1.73	68,300
South Windarra	0.80%	772,00	0.98	7,500	-	-	-	772,00	0.98	7,500
Cerberus	0.75%	2,773,000	1.25	34,600	1,778,000	1.91	34,000	4,551,000	1.51	68,600
Total Sulphide		4,519,000	1.21	54,500	4,755,000	1.89	89,900	9,274,000	1.56	144,400

Key Facts: Resource Table

Windarra Gold Tailings Project	Resource Category - Gold Tailings		
	Indicated		
	Tonnes	Grade (g/t)	Au (oz)
Total Gold Tailings	10,993,000	0.52	182,500

Windarra Nickel Tailings & Oxide Project	Cut Off Grade	Resource Category – Nickel Oxide & Tailings (Not released yet)								
		Indicated			Inferred			TOTAL		
		Tonnes	Ni% Grade	Ni Metal t	Tonnes	Ni% Grade	Ni Metal t	Tonnes	Ni% Grade	Ni Metal t
Woodline Well	0.50%				344,000	1.25	4,300	344,000	1.25	4,300
Sth Windarra Dumps	0.00%	2,976,000	0.41	12,200				2,976,000	0.41	12,200
Central Tailings Dam	0.00%	9,602,000	0.34	32,600				9,602,000	0.34	32,600
Total Oxide		12,578,000	0.36	44,800	344,000	1.25	4,300	12,922,000	0.38	49,100

Note: The information in this report relates to Exploration Results, Mineral Resources and Ore Reserves 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, 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 and Mr D Grubic, Technical Services Manager at Rock Team Pty Ltd. Mr Hutchison and Mr Glacken 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 Grubic is a full time employee of Rock Team Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australian Code for Reporting Ore Reserves."

Mr Hutchison, Mr Glacken and Mr Grubic 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

FOR:	
CHAIRMAN'S DISCRETION	21,568,286
SHAREHOLDER	21,013,752
<u>TOTAL FOR</u>	<u>42,582,038</u>
AGAINST	1,980,047
ABSTAIN	145,397,777
PROXY DISCRETION	4,500

Resolution 2

Re-Election of Mr Geoffrey Brayshaw

FOR:	
CHAIRMAN'S DISCRETION SHAREHOLDER	21,607,885 166,091,497
<u>TOTAL FOR</u>	<u>187,699,382</u>
AGAINST	407,376
ABSTAIN	1,853,104
PROXY DISCRETION	4,500

Resolution 3

Re-Election of Mr Andrew Forrest

FOR:	
CHAIRMAN'S DISCRETION SHAREHOLDER	21,404,128 168,044,579
<u>TOTAL FOR</u>	<u>189,448,707</u>
AGAINST	459,400
ABSTAIN	51,755
PROXY DISCRETION	4,500

Resolution 4

Issue of Shares to Mr Richard Monti

FOR:	
CHAIRMAN'S DISCRETION	21,558,635
SHAREHOLDER	26,177,959
<u>TOTAL FOR</u>	<u>47,736,594</u>
AGAINST	1,721,568
ABSTAIN	140,501,700
PROXY DISCRETION	4,500

Resolution 5

Issue of Shares to Mr Andrew Forrest

FOR:	
CHAIRMAN'S DISCRETION	20,598,884
SHAREHOLDER	24,760,340
<u>TOTAL FOR</u>	<u>45,359,224</u>
AGAINST	1,685,263
ABSTAIN	142,915,375
PROXY DISCRETION	4,500

Resolution 6

Issue of Shares to Mr Geoff Brayshaw

FOR:	
CHAIRMAN'S DISCRETION	21,561,635
SHAREHOLDER	26,181,014
<u>TOTAL FOR</u>	<u>47,742,649</u>
AGAINST	1,702,421
ABSTAIN	140,514,792
PROXY DISCRETION	4,500

Resolution 7

Issue of Shares to Mr Christopher Indermaur

FOR:	
CHAIRMAN'S DISCRETION	21,561,635
SHAREHOLDER	26,164,541
<u>TOTAL FOR</u>	<u>47,726,176</u>
AGAINST	1,713,894
ABSTAIN	140,519,792
PROXY DISCRETION	4,500

Resolution 8

Approval of 10% Placement Facility

FOR:	
CHAIRMAN'S DISCRETION	21,684,144
SHAREHOLDER	159,703,183
<u>TOTAL FOR</u>	<u>181,387,327</u>
AGAINST	8,297,825
ABSTAIN	274,710
PROXY DISCRETION	4,500



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