POSEIDONNICKEL

7th November 2014

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

Dear Sir,

Re: POSEIDON ANNOUNCES REVISED MT WINDARRA MINERAL RESOURCE (JORC 2012 COMPLIANT)

We enclose herewith a copy of an announcement in relation to the above.

Yours faithfully

David P.A. Singleton
MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER

Enc

CORPORATE DIRECTORY

Director / Senior Management

David Singleton	Managing Director & Chief Executive Officer
Chris Indermaur	Non-Executive Chairman
Geoff Brayshaw	Non-Executive Director
Robert Dennis	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

Shareholder Enquiries
Enquiries concerning shareholdings should be addressed to:

Computershare Investor Services
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

P: 61 8 9382 8799
F: 61 8 9382 4760
E: admin@poseidon-nickel.com.au

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

ASX Announcement 7th November 2014

Poseidon Announces Revised Mt Windarra Mineral Resource (JORC 2012 Compliant)

- **Mt Windarra Indicated and Inferred Mineral Resource:**
  - **4.358 million tonnes @ 1.64% Ni for 71,500 tonnes contained nickel**

Poseidon Nickel Limited (ASX:POS) is pleased to confirm that it has revised the Mt Windarra Mineral Resource to bring it into line with the latest JORC 2012 reporting standards. The Mt Windarra Mineral Resource is estimated to be **4.358mt @ 1.64% Ni for 71.5kt of contained nickel metal** (using 0.9% cut-off grade) and is tabulated in Table 1 below.

MT WINDARRA MINERAL RESOURCE ESTIMATION

Poseidon retained Optiro Pty Ltd (Optiro) to revise the Mt Windarra Mineral Resource to JORC 2012 compliance standards as Optiro has completed the majority of the prior resource estimates at the Windarra Nickel Project.

The Mineral Resource at the Mt Windarra underground deposit has been estimated to be **4.358mt @ 1.64% Ni for 71.5kt of contained nickel metal** (using a 0.9% nickel cut-off grade).

The Mineral Resource was classified in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012). Optiro has consented to the release of the attached Mineral Resource statement (Table 1 below) and Attachment A as required under the JORC 2012 code.

Table 1: Mt Windarra Mineral Resource on 16 July 2014 (at 0.9% nickel cut-off grade)

Nickel Sulphide Resources	JORC Compliance	Cut Off Grade	Mineral Resource Category								
			Indicated			Inferred			TOTAL		
			Tonnes (Kt)	Ni% Grade	Ni Metal t	Tonnes (Kt)	Ni% Grade	Ni Metal t	Tonnes (Kt)	Ni% Grade	Ni Metal t
WINDARRA PROJECT											
A Shoot	2012	0.9%	-	-	-	85	2.19	2,000	**85**	**2.19**	**2,000**
B Shoot	2012	0.9%	-	-	-	69	1.52	1,000	**69**	**1.52**	**1,000**
C Shoot	2012	0.9%	434	1.75	7,500	1,515	1.90	29,000	**1,949**	**1.86**	**36,500**
D Shoot High Grade	2012	0.9%	-	-	-	52	2.27	1,000	**52**	**2.27**	**1,000**
D Shoot Disseminated	2012	0.9%	-	-	-	495	1.28	6,500	**495**	**1.28**	**6,500**
F Shoot	2012	0.9%	178	1.50	2,500	126	1.56	2,000	**304**	**1.53**	**4,500**
G Shoot Upper	2012	0.9%	282	1.29	3,500	31	1.22	500	**313**	**1.28**	**4,000**
G Shoot Lower	2012	0.9%	-	-	-	1,063	1.46	15,500	**1,063**	**1.46**	**15,500**
H Shoot	2012	0.9%	28	1.87	500	-	-	-	**28**	**1.87**	**500**
TOTAL											
Total Ni Resources	2012	0.9%	**922**	**1.56**	**14,500**	**3,436**	**1.66**	**57,000**	**4,358**	**1.64**	**71,500**

Note: totals may not sum exactly due to rounding.

The Mt Windarra Mineral Resource has been reported at a 0.90% nickel cut-off grade by shoot and resource category to best reflect the potentially economic mineralisation within the Mineral Resource. All mineralisation that has no prospect of eventual economic extraction has been removed from the Mineral Resource statement in accordance with the JORC 2012 guidelines.

MT WINDARRA RESOURCE ASSUMPTIONS AND METHODOLOGY (Extracted from Optiro report)

The Mt Windarra Mineral Resource estimate is shown in Table 1 and has been classified and reported in accordance with the JORC 2012 guidelines. The Mineral Resource has been estimated using Ordinary Kriging, taking into account the following criteria:

- The drillhole database was supplied in Microsoft Access format which included collar, survey, assay and geology tables, as of 25 February 2014. The database was reviewed by Optiro to ensure validity and was deemed adequate to support the resource estimate which was carried out in Surpac. A total of 166 holes were used in the estimate.
- Mineralisation envelopes were supplied as Surpac wireframe models. These were constructed by Poseidon using a cut-off grade of 0.75% nickel for shoots A, B, C, F, G and H and a cut-off grade of 0.45% for shoot D (Figure 1). Optiro ensured that all the mineralisation wireframes were snapped to the drillholes and that all of the mineralisation was captured.
- All other development, mining, stope and geology wireframes used in the coding of the block model were supplied (Figure 1).

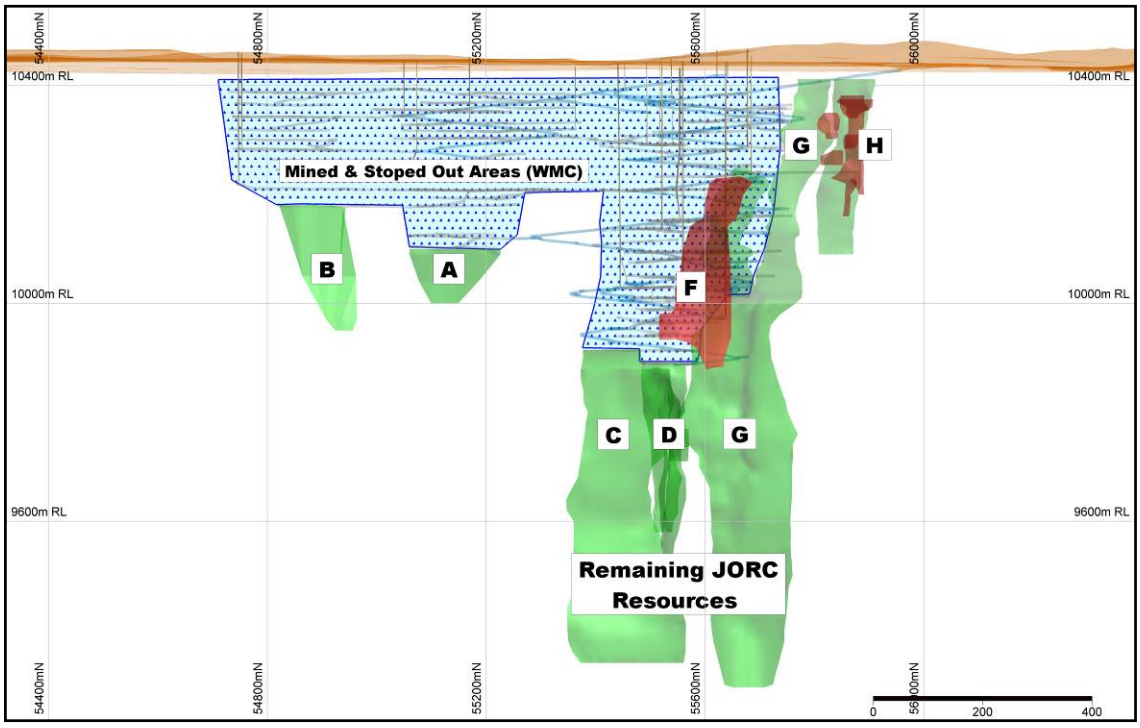

Figure 1: Mt Windarra Long-Section (Looking West) showing Location of JORC Resources and Existing Mining Infrastructure

- Information was also utilised from previous studies completed by Optiro at the Windarra Nickel Project.
- A QAQC data review was undertaken by Maxwell Geoservices, with no major issues identified with the data. Minor standard and blank switches were identified in the laboratory data which requires follow-up and regular monitoring by Poseidon personnel.

- Compositing was undertaken to 1m lengths and a multi-element analysis completed to determine the correlations between nickel and other elements. In domains with insufficient numbers of composites and where a strong correlation existed between nickel and the minor elements, the nickel variograms were used to estimate the minor elements.
- The resource estimation was undertaken in Surpac software using Ordinary Kriging, and classified according to JORC 2012.
- Optiro also completed a multi-element ordinary kriged estimate for several ore shoots at Mt Windarra. Previous multi-element resource estimates undertaken by Optiro had limited data available for the estimation of the minor elements (cobalt, arsenic, magnesium oxide, iron, and sulphur).
- Recent drilling undertaken by Poseidon has been analysed for a full suite of multi-elements, providing Optiro with more data for estimation. Optiro recommends that Poseidon continues to analyse all new samples for a full multi-element suite, thereby continuing to increase the minor element dataset available for estimation.

Geology & Geological Interpretation

The Windarra region forms part of the Mt Margaret Goldfield. Mafic and ultramafics, metavolcanics and intrusives form important members of the Windarra greenstone belt. A major granitoid pluton has intruded the stratigraphy and has locally stoped out the main BIF. Mafic-ultramafic and BIF xenoliths thought to be stratigraphically equivalent to the Windarra sequence occur within the granites in the region.

Bedrock consists of granite or granite gneiss, enclosed by north to northwest trending belts of metavolcanics, metasediments and intrusive rocks. Mafic dykes with an east-west strike are abundant in the region and cross-cut the greenstone, granite and granite gneisses. Regional trends are predominantly north-west but the main BIF horizon traces the regional Mt Margaret Anticline to South Windarra where the trend is more east-west.

Economic nickel mineralisation in the Mt Windarra area is hosted at the base of the Windarra Ultramafics, a 100–300m thick sequence of ultramafic (komatiite) lava flows, overlain by basalts. The Windarra Ultramafics host four significant nickel deposits, two of which have previously been mined, the Mt Windarra underground mine and the South Windarra open-pit and underground mine. The third discovery was at Woodline Well which has a small near surface oxide deposit which may contain a deeper sulphide extension. The latest and most significant discovery made by Poseidon Nickel was at Cerberus.

Nickel mineralisation at Mt Windarra is restricted to the sulphide zones at the base of the olivine cumulate ultramafic sequence. Massive sulphides form the dominant ore type and the non-massive sulphide mineralisation can be sub-divided into three different textural types: matrix (25-40% sulphide), blebby (20-30% sulphide) and disseminated (between 5-25% sulphide).

The nickel tenor of sulphides in the ultramafic rocks is normally 8 to 16%, and invariably higher in the disseminated ores than the massive sulphides. The massive ore in A and B shoots rarely assays more than 8% nickel, whereas in the E-C-D and F shoots it may assay up to 12%.

In the primary ore, pyrrhotite, pentlandite, pyrite and chalcopyrite are the most common sulphide phases, in decreasing order of abundance. The pyrrhotite to pentlandite ratio varies from 1:1 in disseminated ore, to up to 8:1 in the matrix hosted ore. The average nickel to copper ratio is 9:1 for most ore types, though may be as low as 4:1 in the copper rich basal matrix hosted ore and remobilised massive sulphide stringers.

The Mt Windarra orebody consists of eight distinct, steeply dipping shoots named: A, B, C, D, E, F, G and H Shoot. These shoots vary from 2m up to 20m in thickness; have a strike length of between 50m and 350m and a down dip extent of greater than 900m.

Sampling and Sub-Sampling Techniques

All sampling for resource estimation at Windarra Nickel Project (WNP) is based on diamond drill core. Sample selection is based on geological core logging and sampled to geological contacts. Assay samples are typically 1m in length but may vary in length from a minimum of 0.2m and a maximum length of 1.2m according to geological boundaries. All core selected for sampling is cut into half core using a CoreWise automated core saw and sampled for assaying by on site field technicians. WMC used a manual brick saw. Where possible all cut samples are selected from the same side of the downhole orientation mark to ensure the core is not "selectively sampled". Nickel mineralisation is very coarse and represents a large proportion of the material therefore weigh vs. grain size is not an issue.

Drilling Techniques

Drilling at Windarra Nickel Project (WNP) was initially completed by Poseidon NL then subsequently Western Mining Corporation (WMC) from 1969 to 1992. Poseidon Nickel Limited (Poseidon) recommenced drilling in 2006. No activity took place between the period 1992 to 2006.

Diamond drilling at WNP is typically NQ2 size. Occasionally BQ and HQ size holes have been drilled. WMC used downhole orientation methods such as the Core-stub Spear and the Craelius System. The entire core from 2006 onwards was orientated using the 2IC EzyMark orientation tool in surface holes and Reflex ACTII RD downhole tools in underground holes.

Criteria Used for Classification

Classification of the resource models are based primarily on drill density and geological understanding in conjunction with increased confidence from historic mining and grade control drill data. The classification takes into account the relative contributions of geological and data quality and confidence, as well as grade confidence and continuity.

The classification reflects the view of the Competent Person.

Sample Analysis Method

The majority of the historic samples were analysed by Analabs in Perth and grade control samples were analysed by the Windarra onsite laboratory. Samples were dissolved in a mixed acid digest and analysed using an AAS finish. Poseidon samples have been analysed by Ultratrace and Quantum Analytical laboratories in Perth.

The laboratory process for Poseidon samples involve: sorting, drying, & crushing to nominal 10mm, then up to 3kg is pulverised to 75um (LM5). A 0.5g sample charge is mixed with Lithium Borate flux and fused at 1080^{o}C. The melt is dissolved in HCl acid and analysed using ICP-OES finish (15 elements).

Reference standards and blanks are routinely inserted into every batch of samples at a rate of 1 in every 25 samples. Poseidon's inserted standards in general showed results within expected ranges with minor biases observed in 2 batches of standards. The calculated means for Lab standards are very close to expected for the majority of standards and are within industry expectations. Laboratory repeat checks and original samples correlated very well.

Monthly QAQC reports are compiled by Maxwell Geoservices. The QAQC results indicate that the assays used for resource estimation at WNP are a fair representation of the material that has been sampled.

Estimation Methodology

Nickel and copper grades in Shoots A and B were estimated using a ID^2 algorithm. No variography was carried out on Shoots A and B. A search ellipse of 4 m(x) by 20 m(y) by 40m (z) and a minimum of 2 and a maximum of 16 samples were used in the estimation process. All the other shoots used were estimation using Ordinary Kriging (OK) within Surpac or Datamine software. Shoots C, D and F had eight elements estimated by OK; nickel, copper, cobalt, arsenic, magnesium, magnesium oxide, iron and sulphur. Shoots G and H had a total of 17 elements estimated using a combination of OK, average grade assignment and via regression equations. The drilling grid spacing is approximately 40 m by 40 m. All samples were composited to 1 m downhole intervals. The composites for shoots C, D, F, G and H were density-weighted.

Variogram orientations were largely controlled by the strike of mineralisation and downhole variography. Variograms for estimation were determined individually for each element. Where there was poor variograms, correlated elements used the Ni variogram. Local search domains were established within individual shoots to reflect the different orientations. Other estimation parameters, such as search distance, minimum and maximum sample numbers varied between shoots. KNA was carried out on individual shoots to give optimum estimation parameters.

The March 2014 Mineral Resource estimates were compared to those of May 2013 (C and F shoots) and April 2012 (D Shoot). Overall there has been an increase of 8% in tonnes and a decrease of 11% in nickel grade in the March 2014 resource update; this is due to the lower mean grade of the recent drilling. The decrease in nickel metal of the resource is 4%.

The April 2012 Mineral Resource estimates were compared to those of 2007/2008 (G shoot). Overall there was an increase in tonnes of 3% and a decrease of 3% in nickel grade in the April 2012 resource update. This is possibly due to the change from ID^2 to OK. There was an increase in nickel metal content of 3%. The A and B Shoot estimates were completed in 2007 by Poseidon. The resource model has not been compared to any reconciliation data.

No assumptions have been made regarding recovery of any by-products. As was the only deleterious element estimated. The block model dimensions and parameters were based on the geological boundaries and average drill grid spacing. Sub-blocks were used to ensure that the block model honoured the domain geometries and volume. Block estimates were controlled by the original parent block dimensions.

For Shoots A and B the individual parent block dimensions were 2 mE by 20 mN by 20 mRL with sub-blocking allowed. All of the other shoots had individual parent block dimensions of 5 mE by 25 mN by 25 mRL, with sub-blocking allowed. Estimation into parent blocks used a discretisation of 2 (X points) by 5 (Y points) by 5 (Z points) for Shoots C, D and F. Discretisation of 3 (X points) by 3 (Y points) by 3 (Z points) was used for G Shoot and 3 (X points) by 8 (Y points) by 5 (Z points) was used for H Shoot to better represent estimated block volumes.

No selective mining units were assumed in this estimate. Multi-element analysis was conducted on the density weighted composites. There was a strong correlation between nickel and cobalt, nickel and iron and nickel and sulphur. In some cases there was also a strong correlation between copper and cobalt. Drillhole sample data was flagged using domain codes generated from three dimensional mineralisation domains. Sample data was composited to a one metre density weighted downhole length.

Mineralisation domains for each shoot were treated as hard boundaries, while orientation domains were treated as soft boundaries in the estimation process. Top cuts were established by investigating univariate statistics and histograms of sample values by domain. A top cut level was selected if it reduced the sample variance and did not materially change the mean value. Model validation was carried out, including visual comparison between density weighted composites and estimated blocks; check for negative or absent grades; statistical comparison against the input drill hole data and graphical plots.

Cut-off Grade and Basis for Selected Cut-off Grade

There is a high level of confidence in the geological interpretation of all WNP resources due to the extensive historical operating experience and records kept by WMC, as well as the readily identifiable stratigraphic control on mineralisation. Wireframes have been used to constrain the estimation and are based on drillhole intercepts and geological boundaries. Wireframes for Shoots A and B have a 1.0% Ni cut-off grade, C and F have a 0.75% Ni cut-off grade, D has a 0.45% Ni cut-off grade and G and H have been constructed to a 0.8% Ni cut-off grade for shape consistency. A minimum width of 1 m has been used to encapsulate the entire mineralised body. The edges of the resource shapes may be narrower than minimum mining widths, meaning that a small proportion of the shape is unlikely to be mineable; however, the inclusion adds to the ore/waste discrimination of the Reserve process.

Mining and Metallurgical Methods, Parameters and Other Material Modifying Factors

No minimum mining assumptions are made during the resource wire framing or estimation process. Mining parameters, including minimum width assumptions are applied during the conversion to Ore Reserves. The mining process will be Sub-Level Caving (SLC) which includes internal dilution and is included during the resource estimation process.
No metallurgical factors or assumptions are made during the resource estimation process as this is addressed during conversion to Ore Reserve. The resource estimation block model has been populated with multi-element data which is required for the metallurgical analysis during the Ore Reserve process.

Notes

The information in this report that relates to the Windarra Nickel Project, Mineral Resources is based on information compiled by Neil Hutchison, General Manager of Geology at Poseidon Nickel, who is a Member of The Australian Institute of Geoscientists and Ian Glacken who is a full time employee of Optiro Pty Ltd and is a Fellow of the Australasian Institute of Mining and Metallurgy.

The information in this report that relates to Ore Reserves at the Windarra Nickel Project is based on information compiled by Denis Grubic, who is a Member of The Australasian Institute of Mining and Metallurgy as well as a full time employee of Rock Team Pty Ltd.

This document contains Mineral Resources and Ore Reserves which are reported under JORC 2004 Guidelines as there has been no Material Change or Re-estimation of the Mineral Resource or Ore Reserves since the introduction of the JORC 2012 Codes. Future estimations will be completed to JORC 2012 Guidelines.

The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

MINERAL RESOURCE STATEMENT

Table 2: Nickel Projects Mineral Resource Statement

Nickel Sulphide Resources	JORC Compliance	Cut Off Grade	Mineral Resource Category								
			Indicated			Inferred			TOTAL		
			Tonnes (Kt)	Ni% Grade	Ni Metal t	Tonnes (Kt)	Ni% Grade	Ni Metal t	Tonnes (Kt)	Ni% Grade	Ni Metal t
WINDARRA PROJECT											
Mt Windarra	2012	0.90%	922	1.56	14,500	3,436	1.66	57,000	4,358	1.64	71,500
Cerberus	2004	0.75%	2,773	1.25	35,000	1,778	1.91	34,000	4,550	1.51	69,000
South Windarra	2004	0.80%	772	0.98	8,000	-	-	-	772	0.98	8,000
TOTAL											
Total Ni Resources	2004 & 2012	-	**4,467**	**1.29**	**57,500**	**5,214**	**1.75**	**91,000**	**9,680**	**1.53**	**148,500**

Note: totals may not sum exactly due to rounding

Table 3: Gold Tailings Project Mineral Resource Statement

Gold Tailings Resources	JORC Compliance	Cut Off Grade	Mineral Resource Category								
			Indicated			Inferred			TOTAL		
			Tonnes (Kt)	Grade (g/t)	Au (oz)	Tonnes (Kt)	Grade (g/t)	Au (oz)	Tonnes (Kt)	Grade (g/t)	Au (oz)
WINDARRA GOLD TAILINGS PROJECT											
Gold Tailings	2004	NA	11,000	0.52	183,000	-	-	-	11,000	0.52	183,000
TOTAL											
Total Au Resources	2004	-	**11,000**	**0.52**	**183,000**	**-**	**-**	**-**	**11,000**	**0.52**	**183,000**

Note: totals may not sum exactly due to rounding.

ORE RESERVE STATEMENT

Table 4: Nickel Project Ore Reserve Statement

Nickel Sulphide Reserves	JORC Compliance	Ore Reserve Category		
		Probable		
		Tonnes (Kt)	Ni% Grade	Ni Metal t
WINDARRA PROJECT				
Mt Windarra	2004	498	1.78	9,000
Cerberus	2004	1,221	1.30	16,000
TOTAL				
Total Ni Reserves	2004	**1,719**	**1.45%**	**25,000**

Note: totals may not sum exactly due to rounding.

ATTACHMENT A
JORC (2012) Table 1
Mt Windarra

MT WINDARRA

SECTION 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	Drilling at Windarra Nickel Project (WNP) was initially completed by Poseidon NL then subsequently Western Mining Corporation (WMC) from 1969 to 1992. Poseidon Nickel Limited (Poseidon) recommenced drilling in 2006. No activity took place between the period 1992 to 2006.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used	All tools are regularly serviced to manufactures specifications.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information	All sampling for resource estimation at Windarra Nickel Project (WNP) is based on diamond drill core. Sample selection is based on geological core logging and sampled to geological contacts. Individual assay samples typically vary in length from a minimum of 0.2m and a maximum length of 1.2m.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Diamond drilling at WNP is typically NQ2 size. Occasionally BQ and HQ size holes have been drilled. WMC used downhole orientation methods such as the Core-stub Spear and the Craelius System. The entire core from 2006 onwards was orientated using the 2IC EzyMark orientation tool in surface holes and Reflex ACTII RD downhole tools in underground holes.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed*	All recovered diamond core has been meter marked by on site field technicians and/or geologists. Any core loss is determined and recorded as part of the geological logging process.
	Measures taken to maximise sample recovery and ensure representative nature of the samples	Core recovery is typically 100% with only minor losses in and around shear zones with rare loss in mineralised zones.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	No relationship exists between core recovery and grade.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	All core is geologically and geotechnical logged to a standard appropriate for mineral resource estimation purposes.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Core is logged onto Toughbook computers using FieldMarshal software using validated coding. The data is checked in Micromine then loaded into Poseidon's SQL Server database via DataShed which is managed and maintained by Maxwell Geoservices. All core from 2006 is photographed dry and wet. No photo records exist for WMC core, however core from several holes was preserved at the Joe Lord Core library in Kalgoorlie
	The total length and percentage of the relevant intersections logged	Core is continuously logged along the entire length of the hole.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	All core selected for sampling is cut into half core using a CoreWise automated core saw and sampled for assaying by on site field technicians. WMC used a manual brick saw.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Not applicable
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Assay samples are typically 1 m in length but may vary in length from a minimum of 0.2 m and a maximum length of 1.2 m according to geological boundaries.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Where possible all cut samples are selected from the same side of the downhole orientation mark to ensure the core is not "selectively sampled".
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Not routinely completed
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Nickel mineralisation is very coarse and represents a large proportion of the material therefore weigh vs. grain size is not an issue.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	The majority of the historic samples were analysed by Analabs in Perth and grade control samples were analysed by the Windarra onsite laboratory. Samples were dissolved in a mixed acid digest and analysed using an AAS finish. Poseidon samples have been analysed by Ultratrace and Quantum Analytical laboratories in Perth. The laboratory process for Poseidon samples involve: sorting, drying, & crushing to nominal 10mm, then up to 3kg is pulverised to 75um (LM5). A 0.5g sample charge is mixed with Lithium Borate flux and fused at 1080°C. The melt is dissolved in HCl acid and analysed using ICP-OES finish (15 elements).
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Not applicable – chemical assaying applied.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Reference standards and blanks are routinely inserted into every batch of samples at a rate of 1 in every 25 samples. Poseidon's inserted standards in general showed results within expected ranges with minor biases observed in 2 batches of standards. The calculated means for Lab standards are very close to expected for the majority of standards and are within industry expectations. Laboratory repeat checks and original samples correlated very well. Monthly QAQC reports are compiled by Maxwell Geoservices. The QAQC results indicate that the assays used for resource estimation at WNP are a fair representation of the material that has been sampled.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Significant intersections are calculated by the Chief Geologist on site and verified/reported by the Geology Manager (CP).

Criteria	JORC Code explanation	Commentary
	The use of twinned holes.	Numerous historic drill holes were checked with twinned holes but no twinning has occurred during recent drilling as adjacent drill holes at WNP support each other very well geologically and analytically
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Assay data is imported directly from laboratory supplied digital files which are QAQC validated via DataShed then loaded into the SQL drillhole database.
	Discuss any adjustment to assay data.	No adjustments to assays are made.
Location of data points	*Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	WMC holes progressed from downhole survey methods such as acid tubes to Eastman Single Shot Cameras from 1971 then to multi-shot orientation tools by the 1980's. Underground drill hole collar dips and azimuths were historically setup by WMC mine surveyors. Poseidon uses DHS's digital Azimuth Aligner gyroscope system. Mine workings have been digitized from the WMC survey master level plans completed by the authorized mine surveyor.
	Specification of the grid system used.	All historic and modern surveying is completed in local mine coordinates which are then converted to MGA GDA94 Zone 51 and stored in the database.
	Quality and adequacy of topographic control.	All underground and most surface hole collars are located by mine surveyors using Total Station control and surveyed control points which are tied into surveyed trig points. Surface holes have more recently been surveyed using real time DGPS instruments.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	WNP resource estimation holes are typically drilled on a regular grid spacing that varies according to the size and consistency of the resource being drilled.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Typical spacing is less than 30 m between drill holes for Indicated Resources.
	Whether sample compositing has been applied.	No sample compositing is undertaken as all samples are logged and analysed in full.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The mineralised bodies are relatively planar and grades are typically consistent within individual resource domains so drill orientation does not introduce any significant bias.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Underground drill holes can have varying intersection angles from 90^{o} to not less than 15^{o} to contacts with the majority not being less than 30^{o}.
Sample security	*The measures taken to ensure sample security.*	Core is delivered directly to the core yard which is separated from the main mine area and is manned by Poseidon personnel. All sampled core is bagged and wire-tied closed then placed in a large bulka bag which is also wire-tied closed. This is couriered direct to the labs were it is inspected before opening by lab staff. Sample security is considered adequate.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	All Mineral Resource data is audited by consultants Maxwells Geoservices and Optiro. Independent Consultants Behre Dolbear Australia (BDA) completed an extensive independent technical review of the WNP which included site visits. Sampling techniques and data quality is considered adequate.

MT WINDARRA

SECTION 2 Reporting of Exploration Results

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Mt Windarra is situated on a Special Act Lease M38/261SA which is under "Agreement" with the State Government. There is a 1% revenue royalty due to BHPB if the nickel product is not sold to/treated by BHPB. There are no material issues at Mt Windarra. Poseidon owns 100% of M38/261SA which is in good standing and has no overriding encumbrances.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Refer to Section 1 (above)
Geology	*Deposit type, geological setting and style of mineralisation.*	Refer to Section 3 (below)
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *easting and northing of the drill hole collar* *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *dip and azimuth of the hole* *down hole length and interception depth* *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	No new Exploration Results have been reported.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	No new Exploration Results have been reported.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	No new Exploration Results have been reported.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	No new Exploration Results have been reported.

Criteria	JORC Code explanation	Commentary
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	No new Exploration Results have been reported.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	No new Exploration Results have been reported.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Poseidon expects to undertake further resource definition, mine planning/geotechnical and grade control drilling at Mt Windarra.

MT WINDARRA

SECTION 3 Estimation And Reporting Of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	*Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*	All WNP drill holes and resource samples are logged onto Toughbook computers using FieldMarshal software with validated coding restricting incorrect data entry. The data is checked in Micromine then loaded into Poseidon's SQL Server database and validated via DataShed which is managed and maintained by Maxwell Geoservices. Assay data is imported directly from laboratory supplied digital files which are QAQC validated via DataShed then loaded into the SQL drillhole database to ensure there are no transcript errors. WMC data was recorded on paper drill logs which were stored on microfilm. Logs were printed and entered manually into excel spreadsheets then imported into the Poseidon Datashed database. The data was validated against library tables during the import. CSA Australia completed an audit of the historical data in the database, which resulted in the location of missing &/or uncertain data and correcting it.
	Data validation procedures used.	Validation checks were undertaken on the data. See above.
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	The geology competent person has been with Poseidon for 7 years and is intimately involved in the WNP taking regular trips to site and going on FIFO roster during drilling programs. Representatives of Maxwell Geoservices, BDA and CSA have all visited the site.
	If no site visits have been undertaken indicate why this is the case.	Not applicable

Criteria	JORC Code explanation	Commentary
Geological interpretation	*Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*	There is a high level of confidence in the geological interpretation of all WNP resources due to the extensive historical operating experience and records kept by WMC, as well as the readily identifiable stratigraphic control on mineralisation. Wireframes have been used to constrain the estimation and are based on drillhole intercepts and geological boundaries. Wireframes for Shoots A and B have a 1.0% Ni cut-off grade, C and F have a 0.75% Ni cut-off grade, D has a 0.45% Ni cut-off grade and G and H have been constructed to a 0.8% Ni cut-off grade for shape consistency.
	Nature of the data used and of any assumptions made.	The mineralisation is generally quite planar with minor structural overprints and drill intercepts clearly define the shape of the mineralised body with limited options for large scale alternate interpretations.
	The effect, if any, of alternative interpretations on Mineral Resource estimation.	Not applicable
	The use of geology in guiding and controlling Mineral Resource estimation.	Wireframes are used to constrain the estimation and are based on drill hole intercepts and geological boundaries.
	The factors affecting continuity both of grade and geology.	Wireframes have been constructed to various nickel cut-off grades for shape and geological consistency.
Dimensions	*The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource*	The mineral resource at WNP comprises seven mineralised "shoots" (A, B, C, D, F, G & H Shoots) which have a total strike length of 1200 m and extend vertically from 45 m below surface (Upper G Shoot) to an open depth of 1125 m below surface (C & G Shoot). Four of the "shoots" (A, B, C & D Shoots) have been historically mined to a depth of 550 m below surface and continue from this depth to 1125 m.
Estimation and modelling techniques	*The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*	Nickel and copper grades in Shoots A and B were estimated using a ID^2 algorithm. No variography was carried out on Shoots A and B. A search ellipse of 4 m (x) by 20 m (y) by 40m (z) and a minimum of 2 and a maximum of 16 samples were used in the estimation process. All the other shoots used were estimation using Ordinary Kriging (OK) within Surpac or Datamine software. Shoots C, D and F had eight elements estimated by OK; nickel, copper, cobalt, arsenic, magnesium, magnesium oxide, iron and sulphur. Shoots G and H had a total of 17 elements estimated using a combination of OK, average grade assignment and via regression equations. The drilling grid spacing is approximately 40 m by 40 m. All samples were composited to 1 m downhole intervals. The composites for shoots C, D, F, G and H were density-weighted. Variogram orientations were largely controlled by the strike of mineralisation and downhole variography. Variograms for estimation were determined individually for each element. Where there was poor variograms, correlated elements used the Ni variogram. Local search domains were established within individual shoots to reflect the different orientations. Other estimation parameters, such as search distance, minimum and maximum sample numbers varied between shoots. KNA was carried out on individual shoots to give optimum estimation parameters.

Criteria	JORC Code explanation	Commentary
	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	The March 2014 Mineral Resource estimates were compared to those of May 2013 (C and F shoots) and April 2012 (D Shoot). Overall there has been an increase of 8% in tonnes and a decrease of 11% in nickel grade in the March 2014 resource update; this is due to the lower mean grade of the recent drilling. The decrease in nickel metal of the resource is 4%. The April 2012 Mineral Resource estimates were compared to those of 2007/2008 (G shoot). Overall there was an increase in tonnes of 3% and a decrease of 3% in nickel grade in the April 2012 resource update. This is possibly due to the change from ID^2 to OK. There was an increase in nickel metal content of 3%. The A and B Shoot estimates were completed in 2007 by Poseidon. The resource model has not been compared to any reconciliation data.
	The assumptions made regarding recovery of by-products.	No assumptions have been made regarding recovery of any by-products.
	Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).	As was the only deleterious element estimated.
	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	The block model dimensions and parameters were based on the geological boundaries and average drill grid spacing. Sub-blocks were used to ensure that the block model honoured the domain geometries and volume. Block estimates were controlled by the original parent block dimensions. For Shoots A and B the individual parent block dimensions were 2 mE by 20 mN by 20 mRL with sub-blocking allowed. All of the other shoots had individual parent block dimensions of 5 mE by 25 mN by 25 mRL, with sub-blocking allowed. Estimation into parent blocks used a discretisation of 2 (X points) by 5 (Y points) by 5 (Z points) for Shoots C, D and F. Discretisation of 3 (X points) by 3 (Y points) by 3 (Z points) was used for G Shoot and 3 (X points) by 8 (Y points) by 5 (Z points) was used for H Shoot to better represent estimated block volumes.
	Any assumptions behind modelling of selective mining units.	No selective mining units were assumed in this estimate.
	Any assumptions about correlation between variables.	Multi-element analysis was conducted on the density weighted composites. There was a strong correlation between nickel and cobalt, nickel and iron and nickel and sulphur. In some cases there was also a strong correlation between copper and cobalt.
	Description of how the geological interpretation was used to control the resource estimates.	Drillhole sample data was flagged using domain codes generated from three dimensional mineralisation domains. Sample data was composited to a one metre density weighted downhole length. Mineralisation domains for each shoot were treated as hard boundaries, while orientation domains were treated as soft boundaries in the estimation process.
	Discussion of basis for using or not using grade cutting or capping.	Top cuts were established by investigating univariate statistics and histograms of sample values by domain. A top cut level was selected if it reduced the sample variance and did not materially change the mean value.
	The process of validation, the checking process used the comparison of model data to drillhole data, and use of reconciliation data if available.	Model validation was carried out, including visual comparison between density weighted composites and estimated blocks; check for negative or absent grades; statistical comparison against the input drill hole data and graphical plots.
Moisture	*Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Tonnages are estimated on a dry basis

Criteria	JORC Code explanation	Commentary
Cut-off parameters	*The basis of the adopted cut-off grade(s) or quality parameters applied*	All Windarra resource models have been modelled to a nominal wireframe cut-off grade of either 0.45%, 0.75%, 0.8% or 1.0% nickel, with a minimum width of 1 m to encapsulate the entire mineralised body. The edges of the resource shapes may be narrower than minimum mining widths, meaning that a small proportion of the shape is unlikely to be mineable; however, the inclusion adds to the ore/waste discrimination of the Reserve process.
Mining factors or assumptions	*Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	No minimum mining assumptions are made during the resource wire framing or estimation process. Mining parameters, including minimum width assumptions are applied during the conversion to Ore Reserves. The mining process will be Sub-Level Caving (SLC) which includes internal dilution and is included during the resource estimation process.
Metallurgical factors or assumptions	*The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	No metallurgical factors or assumptions are made during the resource estimation process as this is addressed during conversion to Ore Reserve. The resource estimation block model has been populated with multi-element data which is required for the metallurgical analysis during the Ore Reserve process.
Environmental factors or assumptions	*Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a Greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made*	WNP is a historic brown-fields mine with a 20 year operating history and residual infrastructure remains in place. No environmental factors or assumptions are made during the resource estimation process.
Bulk density	*Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*	Bulk density measurements are taken using weight in air vs. weight in water gravimetric methodology
	The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit,	All drill core is in fresh rock and solid so no coatings are applied to reduce water penetration.
	Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	A nickel grade vs. density regression formula was used to assign SG values to the block model. For Shoots A, B, G and H the WMC regression formula of "SG = 1/((-0.0118*Ni%) + 0.3417)" was used. For Shoots C, D and F a fixed SG of 2.88 was applied from 0 to less than 0.8% nickel, followed by the application of the linear regression "SG = (0.132*Ni% + 2.856)"from 0.8% nickel and above.

Criteria	JORC Code explanation	Commentary
Classification	*The basis for the classification of the Mineral Resources into varying confidence categories*	Classification of the resource models are based primarily on drill density and geological understanding in conjunction with increased confidence from historic mining and grade control drill data.
	Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).	The classification takes into account the relative contributions of geological and data quality and confidence, as well as grade confidence and continuity.
	Whether the result appropriately reflects the Competent Person's view of the deposit.	The classification reflects the view of the Competent Person.
Audits or reviews	*The results of any audits or reviews of Mineral Resource estimates.*	In June 2013 independent Consultants Behre Dolbear Australia (BDA) completed an extensive independent technical review of the WNP which included site visits and review of the Resource & Reserve estimates. BDA's review of the resources and reserves has been undertaken in accordance with the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, December 2004 update ("the JORC Code"). This report has been prepared in keeping with the Valmin Code for the Technical Assessment and Valuation of Mineral Assets and Securities for Independent Expert Reports as adopted by the Australasian Institute of Mining and Metallurgy in 1995 and as amended and updated in 2005 ("the Valmin Code"). The Poseidon drill results and techniques were reviewed and confirmed by Optiro as compliant to the reporting of Reserves and Resources under the JORC Code. BDA has reviewed this report and discussed the work with Optiro. The work has been competently undertaken by recognised specialists, based on geological interpretations of the various zones and shoots by Poseidon geologists. The estimation procedures are considered appropriate and are generally consistent with industry standards.
Discussion of relative accuracy/confidence	*Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate*	The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code. The statement relates to global estimates of tonnes and grade.
	The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used	The resource estimates are considered to be appropriate for reserve generation and scheduling on a quarterly to annual scale.
	These statements of relative accuracy and confidence of the estimate should be compared with production data, where available	The resulting estimates are supported by historical production.