Australia’s ‘New’ Nickel

David Singleton, MD & CEO
Australian Nickel Conference
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3 Production ready nickel projects in Western Australia

- Windarra Nickel Project
- Black Swan Nickel Project
- Lake Johnston Nickel Project
Projects within 300kms centred around Australia’s Major Nickel Region
### One of the Largest Nickel Sulphide Resources in Australia

<table>
<thead>
<tr>
<th>Project</th>
<th>Cut Off Grade</th>
<th>Mineral Resource Category (JORC 2004)</th>
<th>TOTAL</th>
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<tr>
<td></td>
<td></td>
<td>Indicated</td>
<td>Inferred</td>
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<tr>
<td></td>
<td>Tonnes</td>
<td>Ni% Grade</td>
<td>Ni Metal t</td>
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<tr>
<td><strong>Windarra</strong></td>
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<tr>
<td>Mt Windarra</td>
<td>0.75%</td>
<td>1,217,000</td>
<td>1.39</td>
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<tr>
<td>South Windarra</td>
<td>0.80%</td>
<td>772,000</td>
<td>0.98</td>
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<tr>
<td>Cerberus</td>
<td>0.75%</td>
<td>2,773,000</td>
<td>1.25</td>
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<tr>
<td>Total Windarra</td>
<td></td>
<td>4,762,000</td>
<td>1.24</td>
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<tr>
<td><strong>Black Swan</strong></td>
<td></td>
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<tr>
<td>Black Swan</td>
<td>0.40%</td>
<td>5,400,000</td>
<td>0.69</td>
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<tr>
<td>Total Black Swan</td>
<td></td>
<td>5,400,000</td>
<td>0.69</td>
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<tr>
<td><strong>Lake Johnston</strong></td>
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<td>Lake J</td>
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<td>Total LJ</td>
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</table>

- **10m tonnes @ 1.55% for 156,300 tonnes nickel**
- **26m tonnes @ 0.7% for 185,800 tonnes nickel**
- **Total = 400,000 tonnes nickel**

*JORC code prevents publication of these numbers until reassessment to JORC 2012 for actual numbers.*

*See previous announcement on Lake Johnston.*
Poseidon has the second largest published nickel sulphide resource in Australia* (excluding BHP)

2 Windarra
Poseidon has invested $100M in getting Windarra operationally ready
BHP Off-take saves $240M in Capital Costs

- Ore Off-take and Concentrate Purchase Agreement – announced today

- Windarra ore to be transported to BHP Leinster for processing – 350,000 tpa – 500,000 tpa or up to 700,000 tpa by Agreement

- Operating costs consistent with option including on-site Concentrator

- Capital reduced by $240M (like for like)

- Poseidon has option to transport additional tonnes at Black Swan
Black Swan
Black Swan is a major nickel plant and ore body

- Purchasing from Norilsk Nickel for $1.5m
- Australia’s largest nickel concentrator outside BHP
- Near new condition facilities commissioned in 2007
- Closed in 2009 during financial crisis
  - Care & maintenance since then by Norilsk
- Open pit ore body with more than 10 years potential life
The Black Swan Process Plant and open pit resource was bought by Poseidon from Norilsk in July 2014
4 Lake Johnston
Lake Johnston Nickel Project

- Purchasing from Norilsk Nickel for $1m
- Operationally ready for restart
  - High quality 1.5mt p.a. plant recently refurbished
- Up to 3 years initial mine life
- Rapid site recommissioning time
  - Site in excellent condition
- Operations were previously profitable at similar nickel price*
- Smeltable grade concentrate typically 13% nickel, 6:1 FeMgO, 100 ppm As
- Historical nickel production 10,000 – 12,000 tonnes nickel p.a.

*Based on 2012 accounts for LJ and affiliates
Lake Johnston includes 2 mines, a concentrator and camp in operational ready condition.
Major exploration prospects to further extend life

- 302km² Tenement Package
- 2 Ultramafic Belts
  - Maggie Hay-Mt Glasse
  - Brians Bluff-Taylor Rock
Lake Johnston geologically similar to Flying Fox with offsetting faults but ore body horizontal not vertical

Lake Johnston Mines

- Large faults also offset and terminate mineralisation
- Granite also thrust over the ultramafic host potentially “hiding” mineralisation
- Potential for offset blocks of ultramafic under the granites to the west
- Ore body horizontal so cheaper to mine and explore
- \(\approx 4\%\) nickel ore bodies already discovered
Taylor Rocks is a second similar parallel system which has nickel sulphide hits & lightly tested EM plates

- Electromagnet plates often associated with Nickel
- Nickel discovered with minimal drilling. Requires follow up
In A$ - Nickel up 30% in 2014. Deficits still coming

Source: Bloomberg
Implementation Plan

**Windarra**
- 6 months from funding to first ore*

**Lake Johnston**
- Legal completion
- Restart study now well underway
- Restart in 3-6 months from financing

**Black Swan**
- Legal Completion
- Initial restart study completed and announced
- Restart post Windarra and Lake Johnston start up.

*Subject to funding and regulatory clearances at both Poseidon and BHP.*
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