



Australia's 'New' Nickel

Australian Nickel Conference

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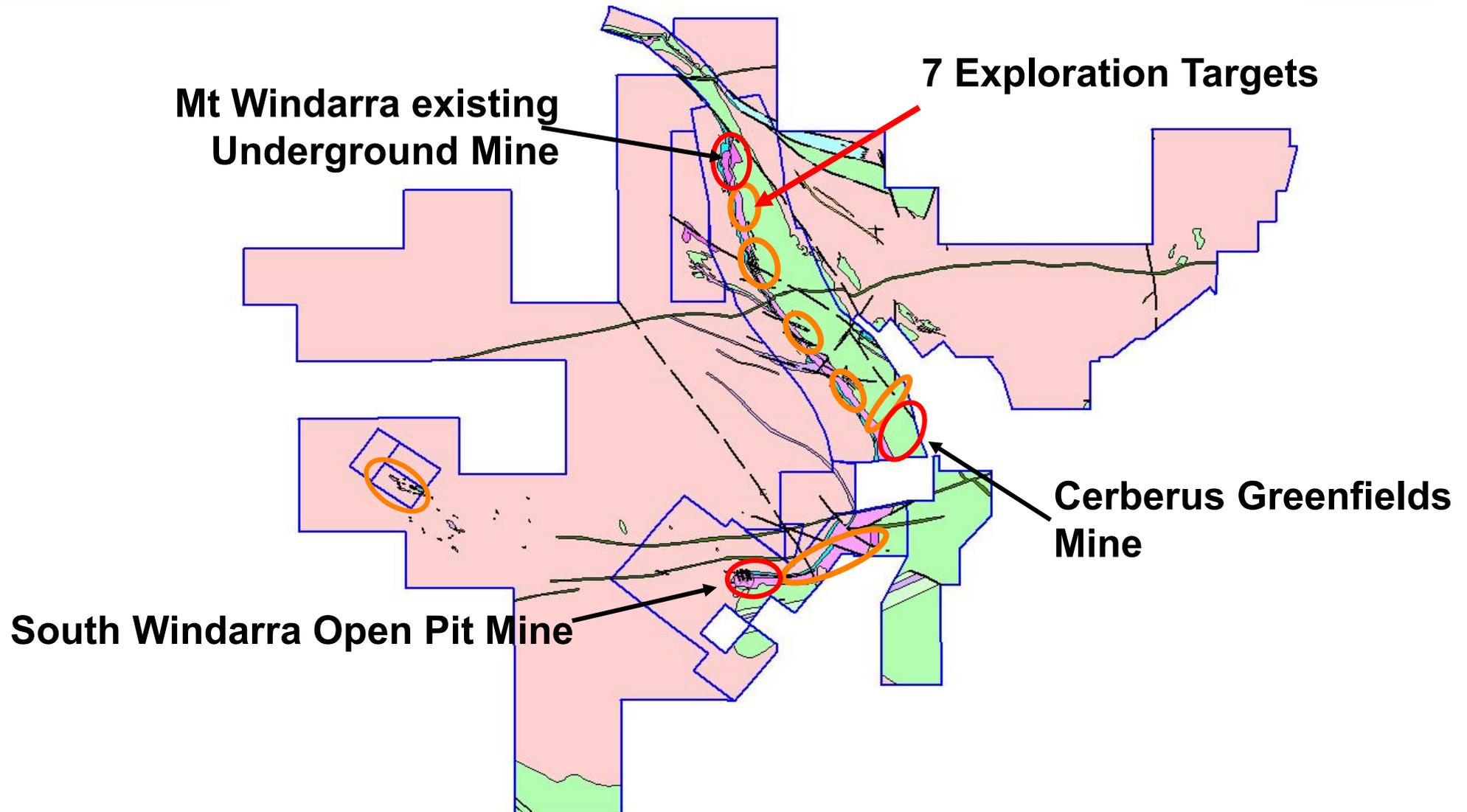
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Australia's New Nickel

- One of few 'new' high grade nickel sulphide mines in world Production planned commencement in 2014
- 10,000 tonne p.a. output in Phase 1
- 18,000 tonne p.a. output in Phase 2 from circa 2018

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



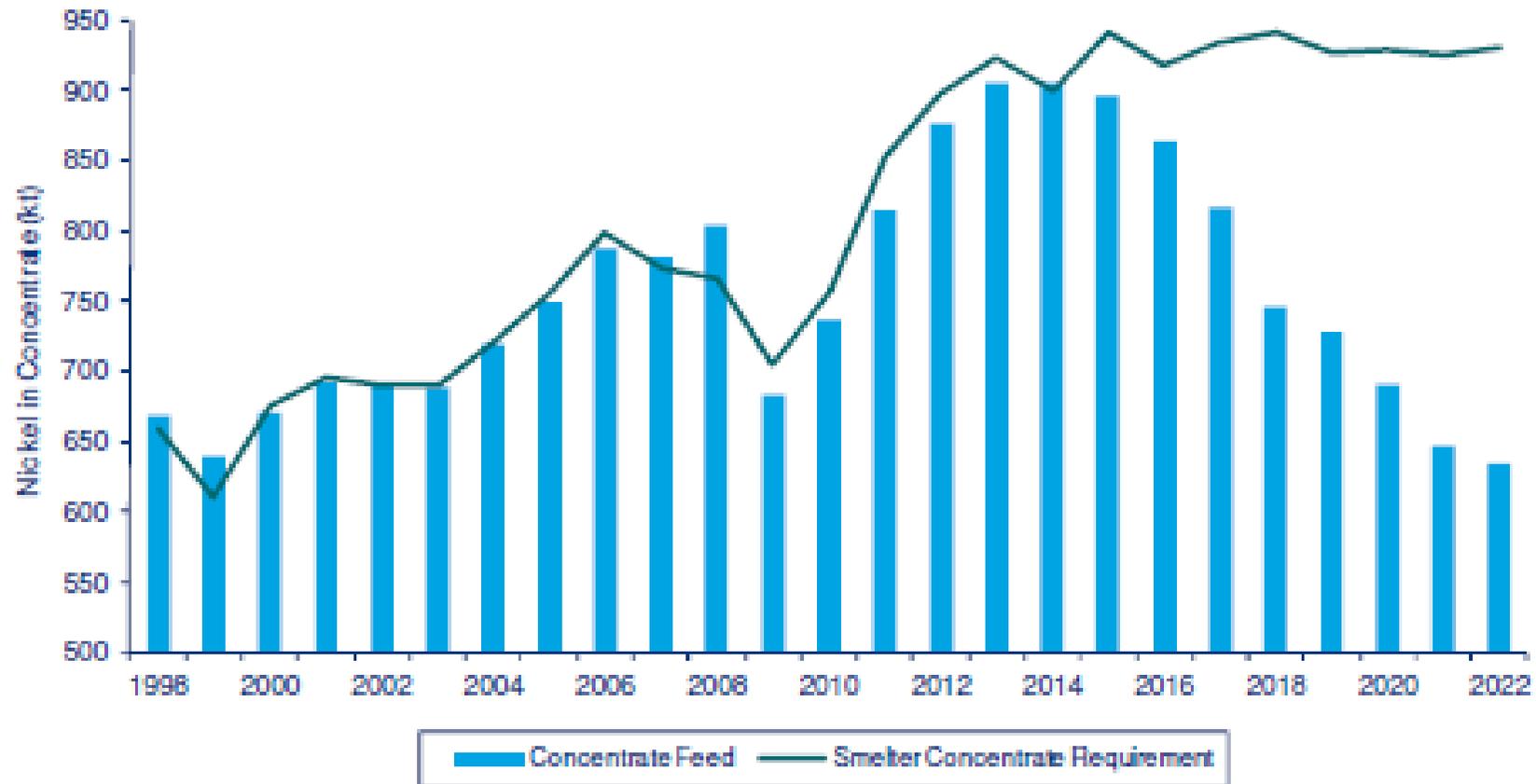
The Windarra Nickel Project is moving into production

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- Definitive feasibility study complete
- Final Government permitting delayed but believed close to completion
- Approx 12 month construction timeline
- First saleable concentrate mid 2014

It's all about final financing

Predicted Nickel Smelter Capacity



Source: Brook Hunt - A Wood Mackenzie Company

Time is Now!

New issuance has rebounded strongly since June and 2012 is on track to be the second largest year ever

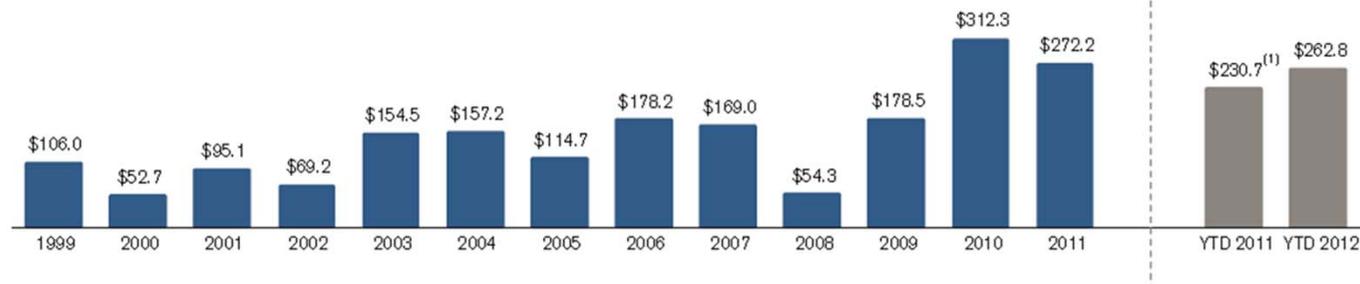
Monthly High Yield issue volumes since 2010

(US\$ in billions)



Annual High Yield issue volumes

(US\$ in billions)



YTD 2011 represents issues between 1 Jan 2011 & 21 Sep 2011

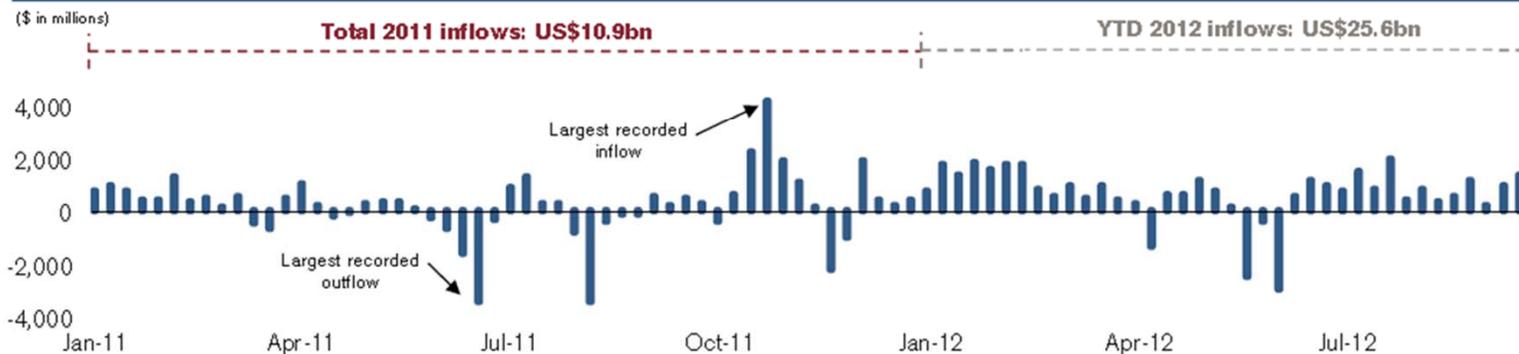
Time is Now!

Credit Suisse HY Index is at all time lows with issuers looking to capitalise

HY weekly New Issue Volume & CS HY Index



Inflows / Outflows to HY Mutual Funds



With over \$45 billion priced so far in September, the market is on pace to break the all time global monthly volume record

Mt Windarra Mine Site

Main Portal
Entrance

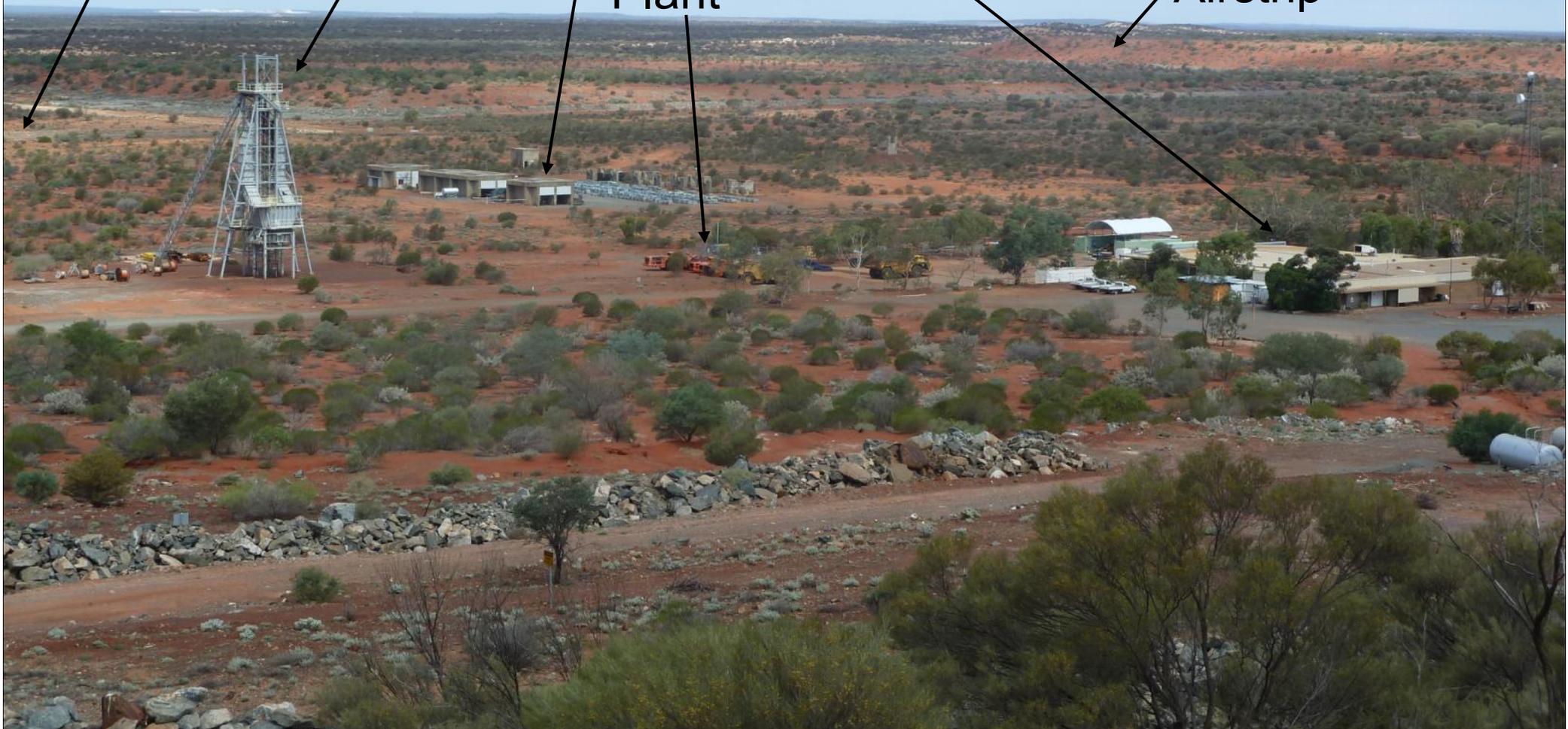
Vertical Shaft
Headframe

Core Yard

Power
Plant

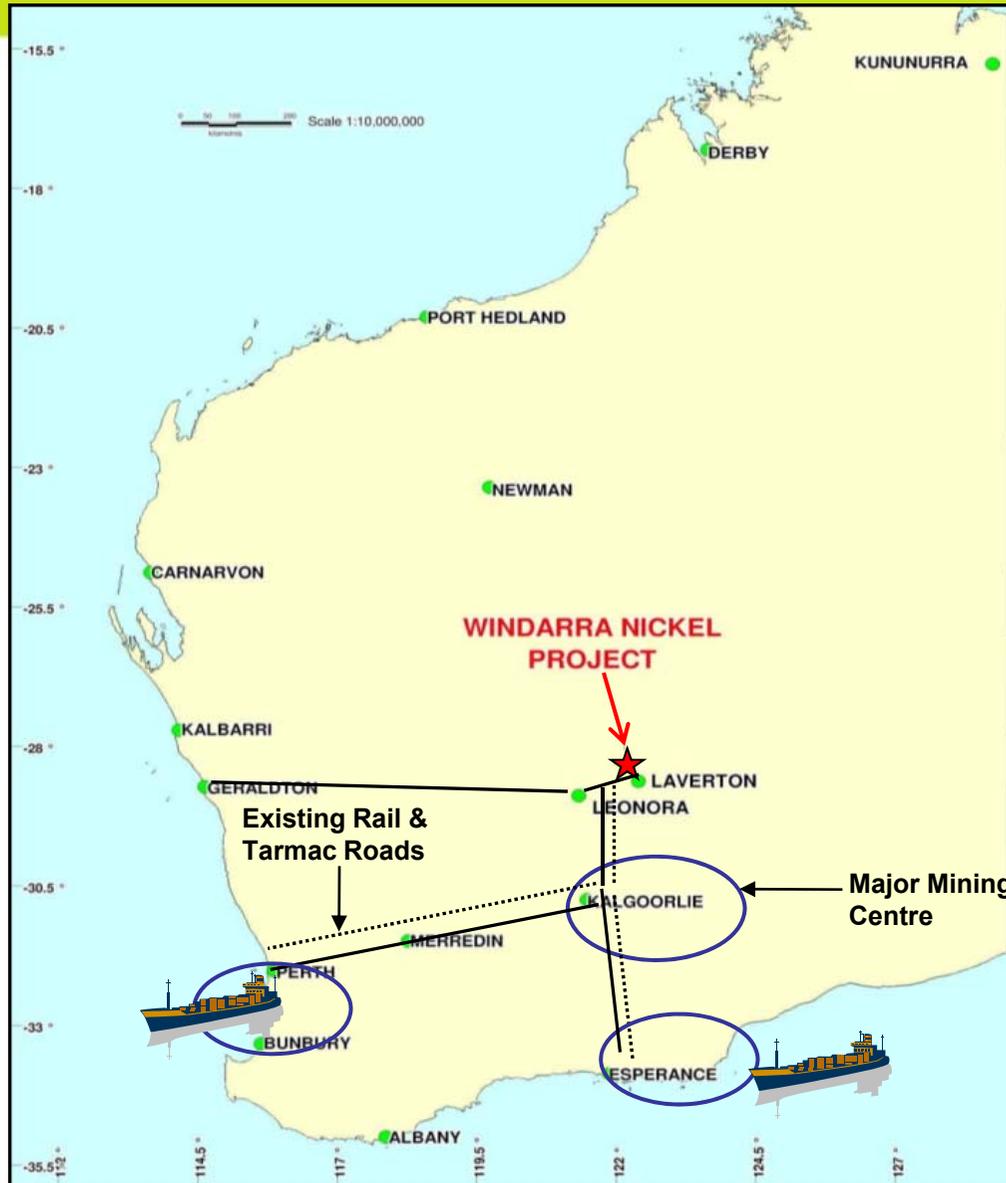
Main Offices
& Workshops

Tailings
Ponds &
Airstrip



The “Central Business District” for Mining

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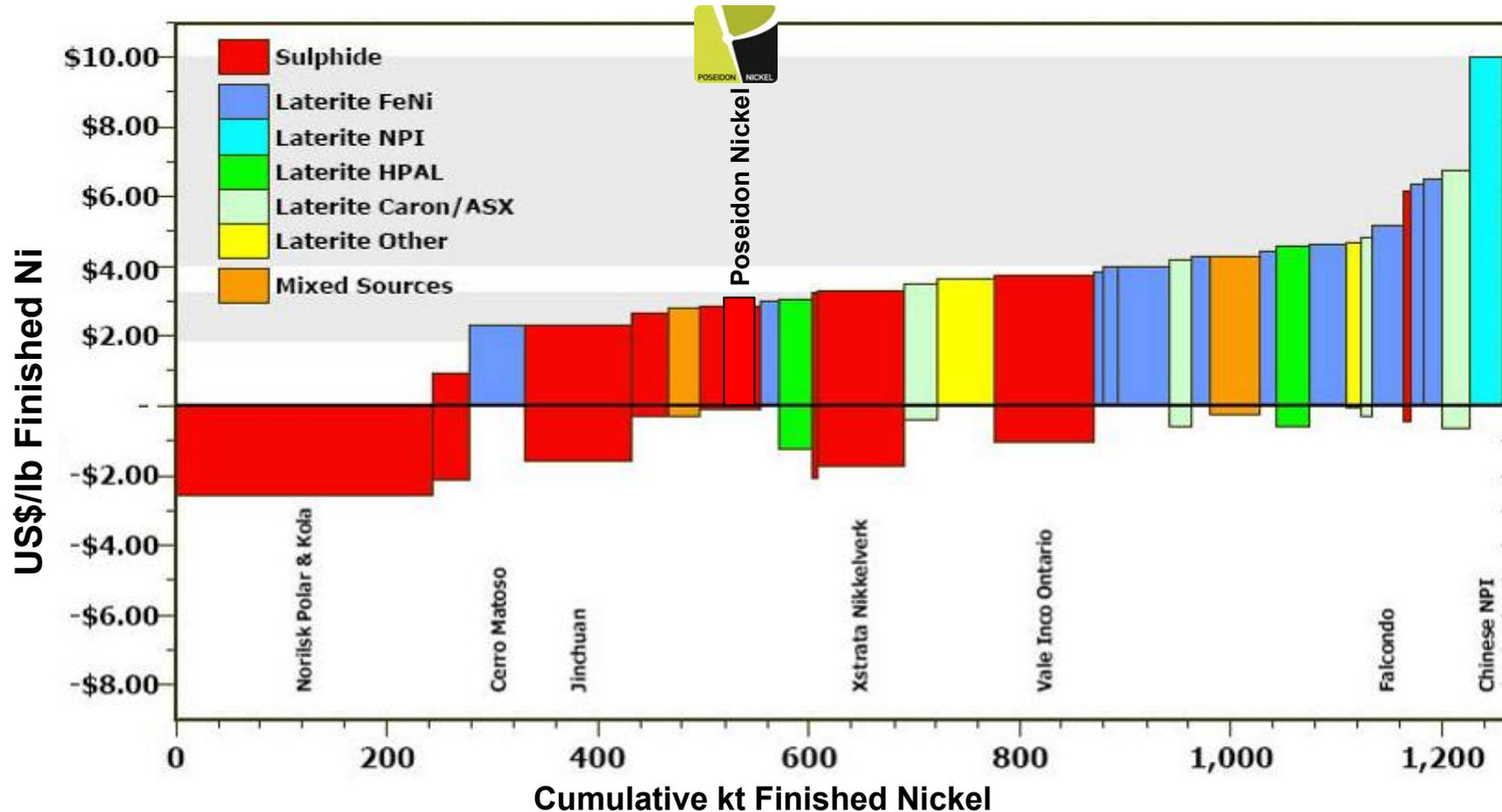


- Access to ‘external’ infrastructure means all capex spent on the project site
- Many world class Gold and nickel mines close by
- Direct access by road & rail to export ports of Fremantle & Esperance

Key Points

- 10 year initial resource life
- 3.5 year gold tailings retreatment commences 2013
- Total remaining capital investment circa \$200m
- \$28m debt & equity funding package completed
- Cash cost US\$3.30/lb* average

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



Metalytics cost data

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

Poseidon cash cost is average over life of project

Over 4 years we have built Australia's largest nickel sulphide explorer by resource size

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RESOURCE 2007*

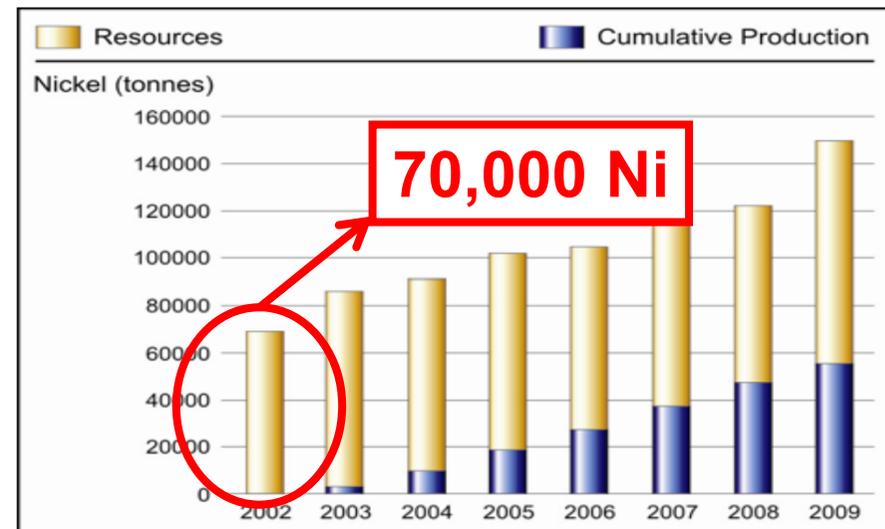
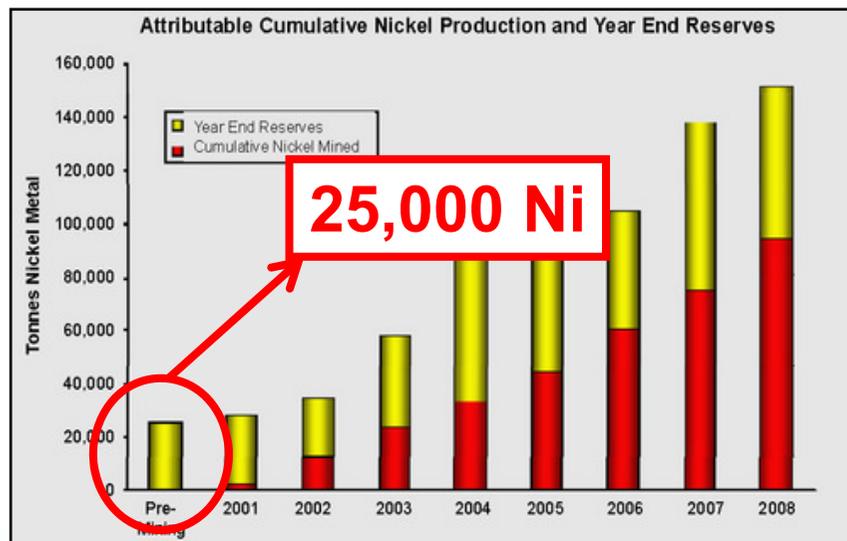
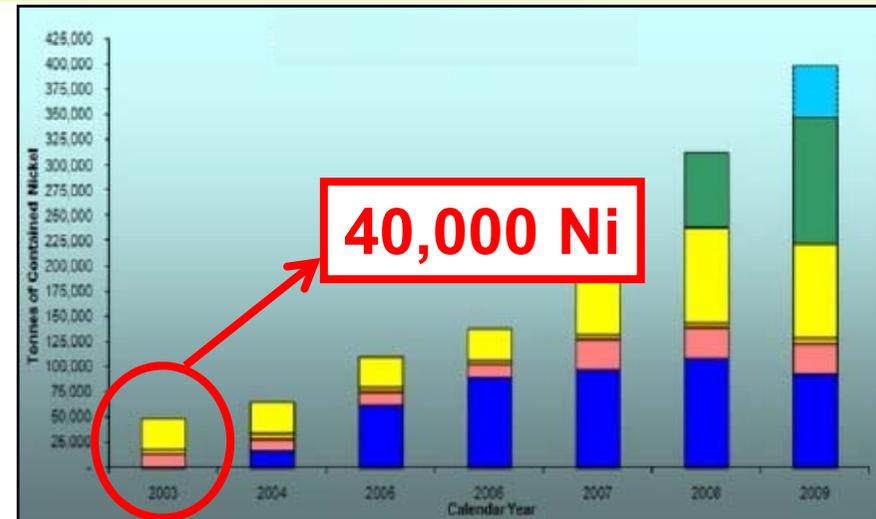
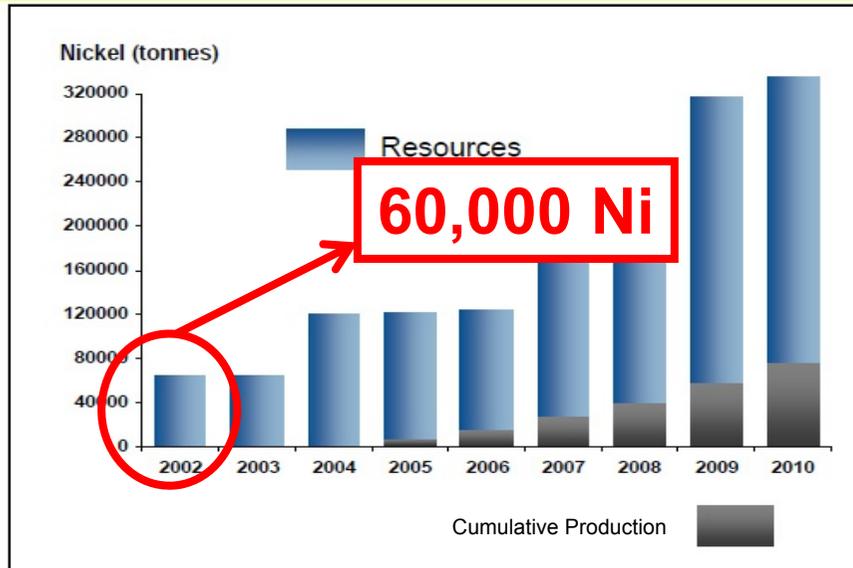
RESOURCE 2011*

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

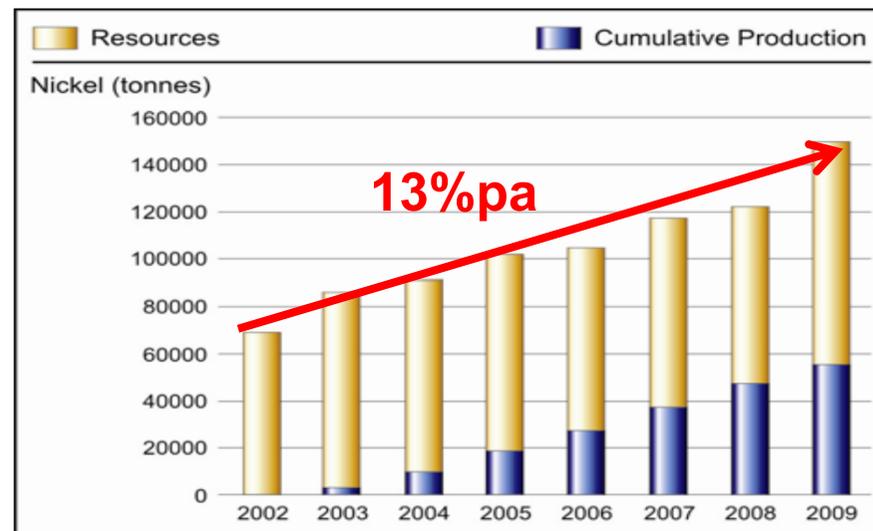
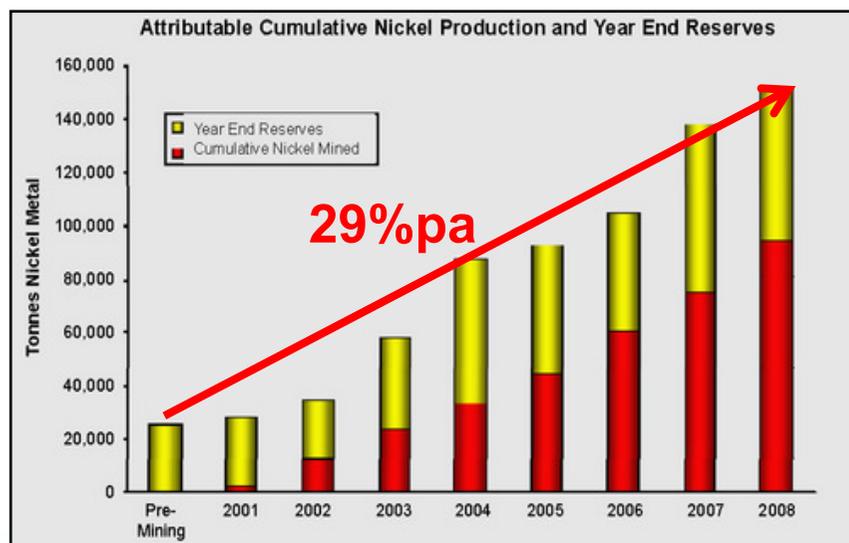
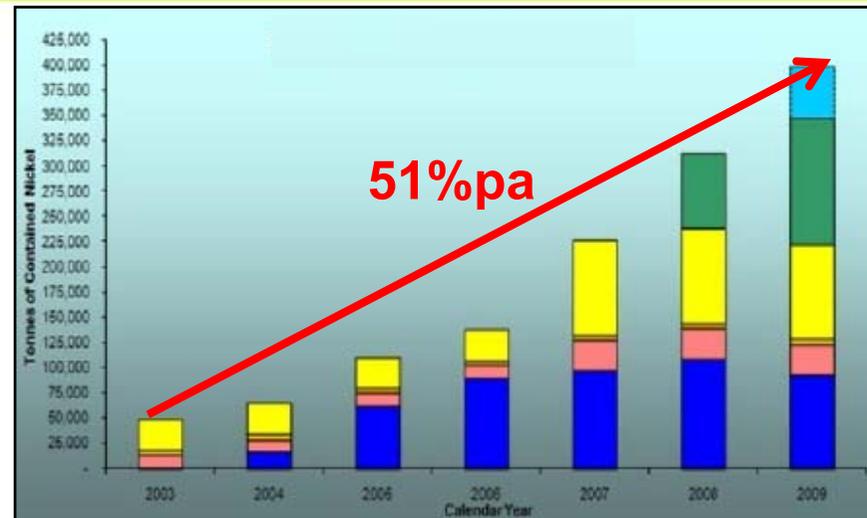
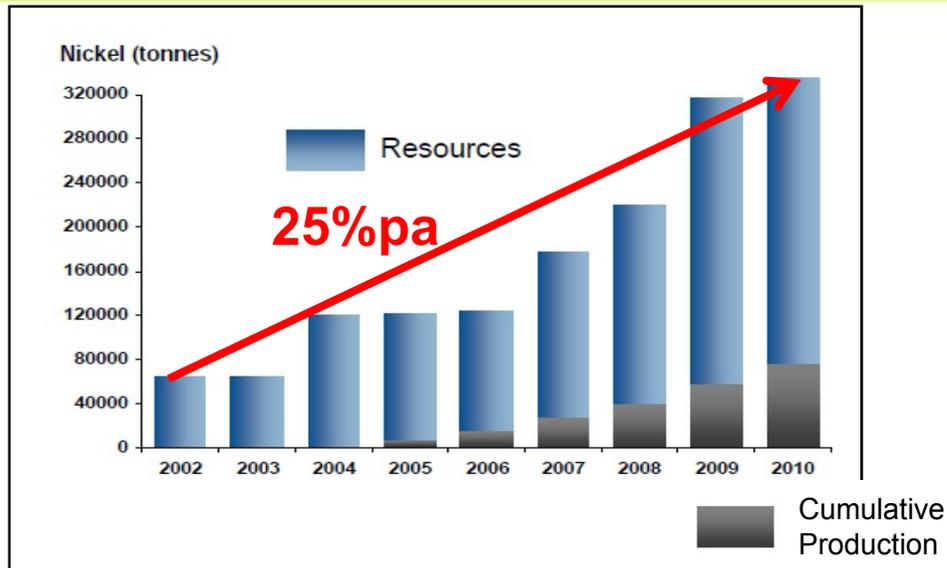
– Spent \$77m developing assets

*JORC compliant

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

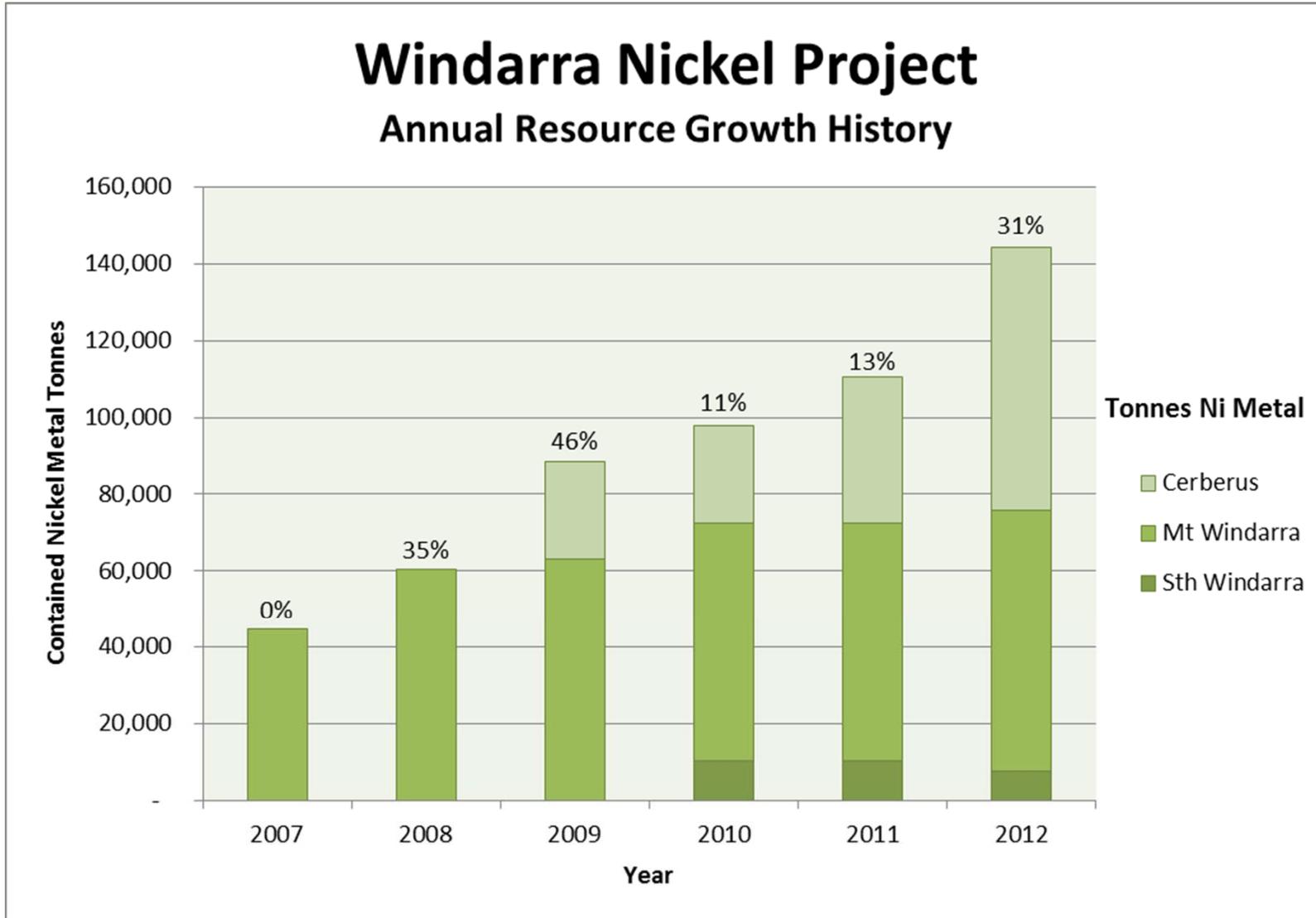


West Australian Peers have replaced resources faster than they have mined them



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

Annual Resource Growth

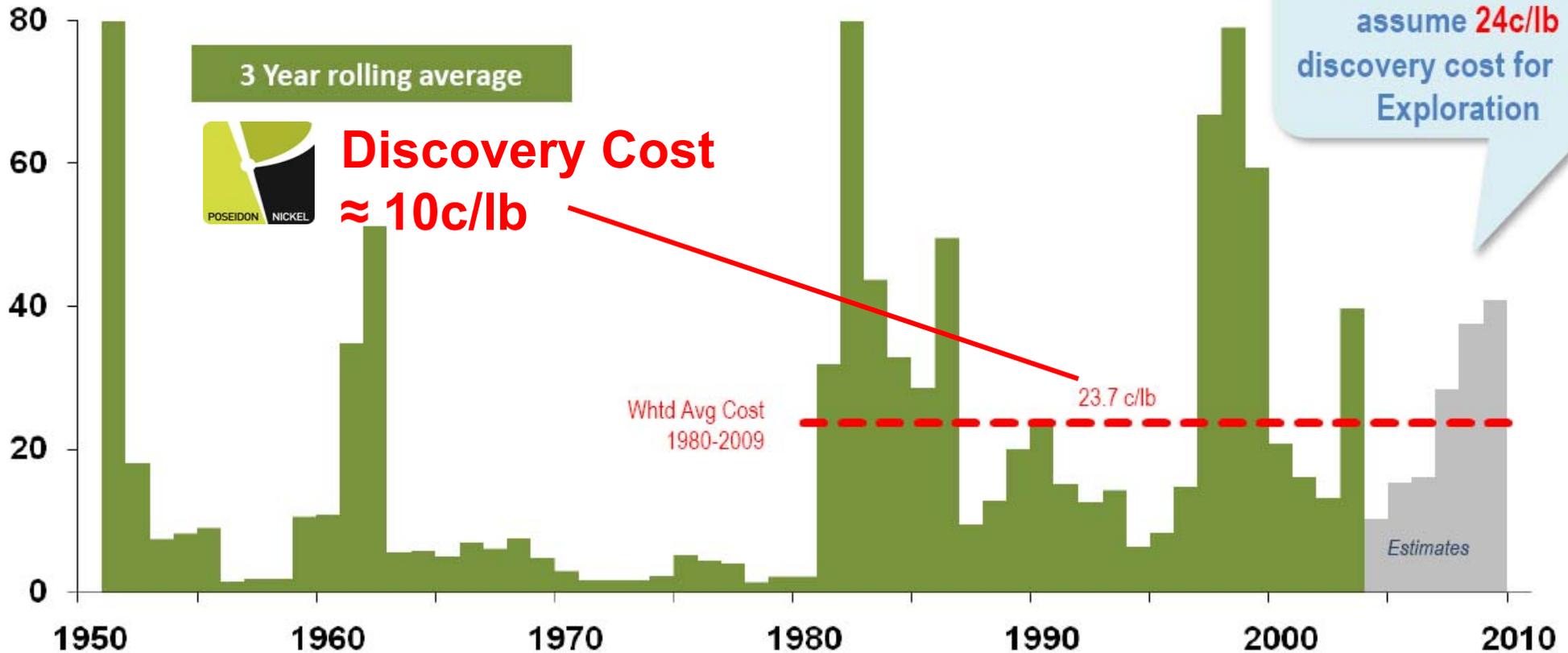


Discovery costs for NiS in Western World

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

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



E38/1450

ML 2615A



Existing Area of Disturbance



LEGEND

-  Processing Plant
-  TSF Lift
-  Existing Area of Disturbance
-  Mining Lease Boundaries
- Roads**
-  Access Road
-  Unsealed Road

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



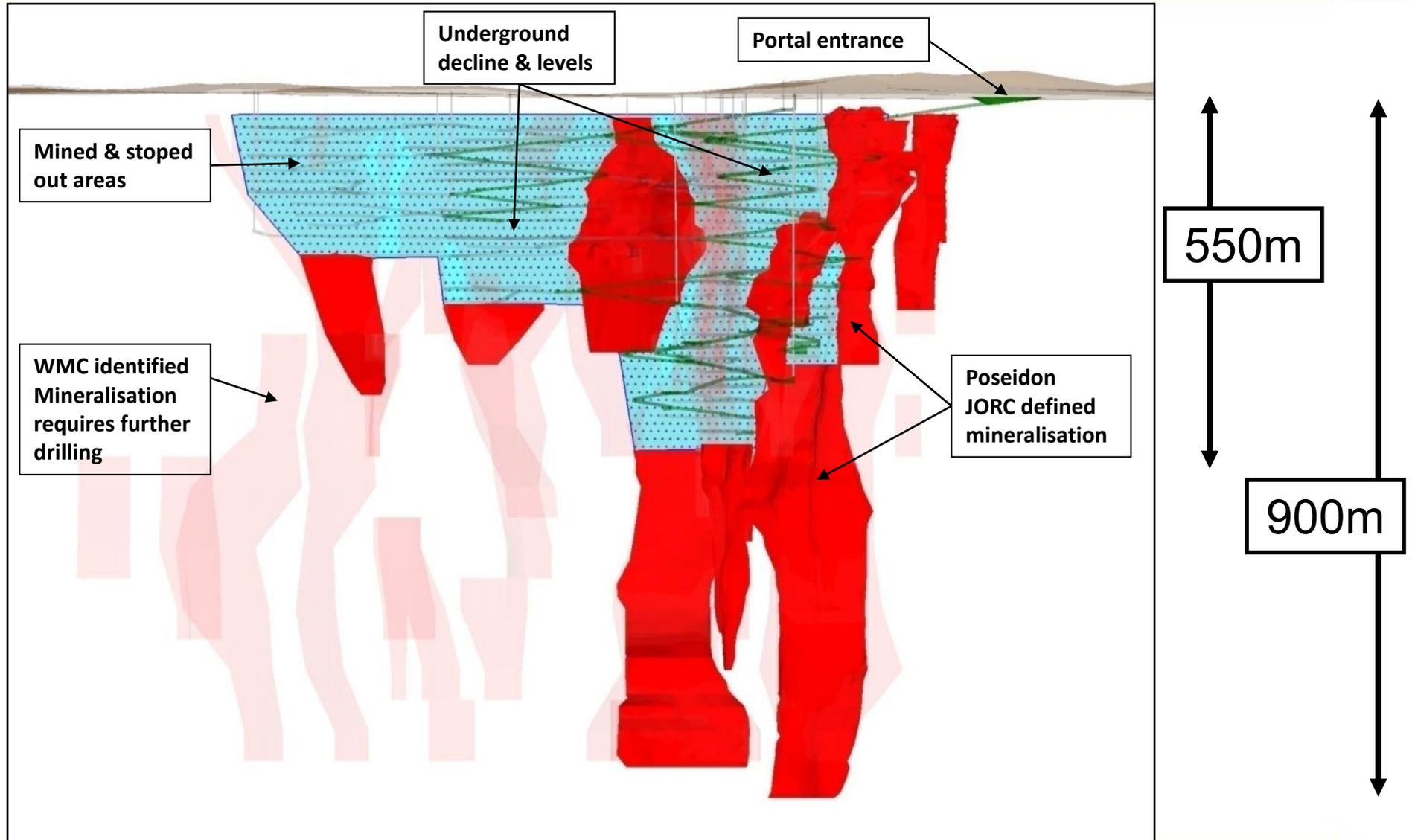
First underground Reserve drilling starts at Mt Windarra in November 2012

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- Mining & refurbishment equipment on site and in operation
- Over 3 kilometres of decline refurbishment completed to date
- Drilling starts in November 2012
- Refurbishment will complete to 450m in 2012



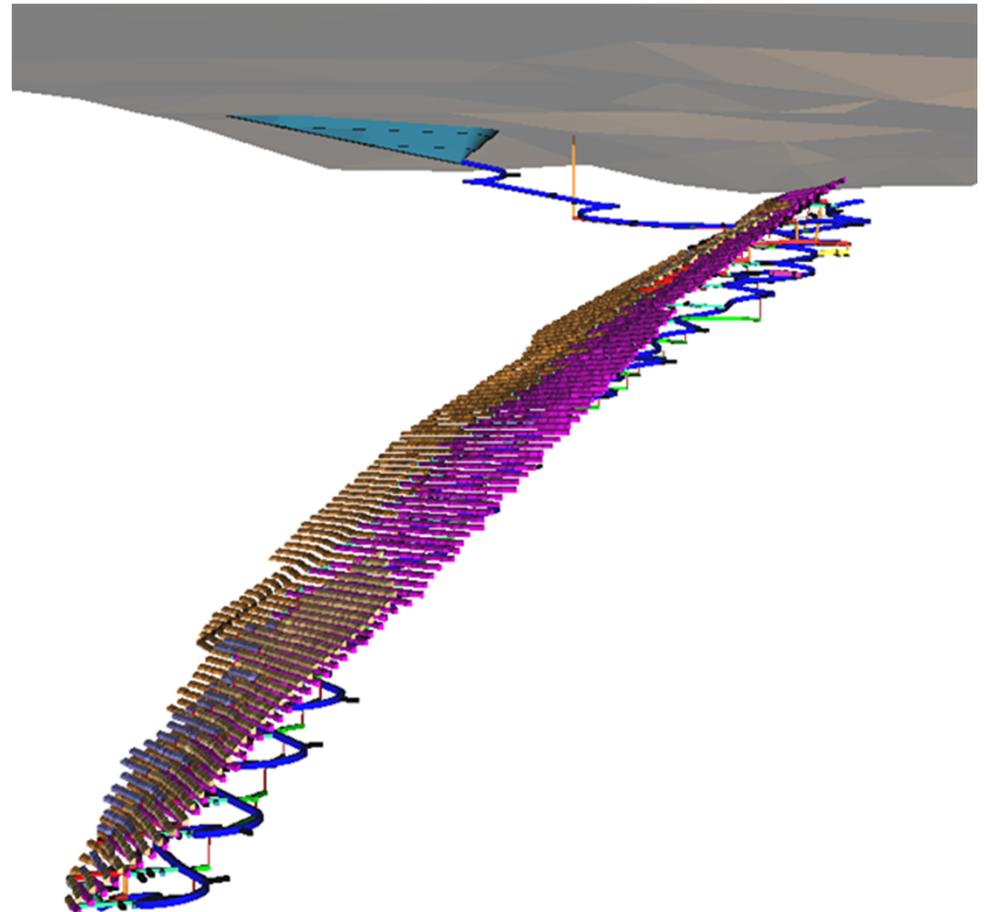
Mt Windarra mined to 550m with ore body continuity to at least 900m



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

- 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

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%	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	54,000	4,755,000	1.89	89,900	9,274,000	1.56	144,400

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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