



Annual General Meeting

26th November 2015

POSEIDONNICKEL

What do we do when the Nickel price collapses?

- Consolidate & integrate our assets
- Get ready for a fast start up when nickel rebounds
- Cut operating costs but don't cut ability to restart
- Be thankful we are not in production!

What have we done over the last year?

POSEIDON NICKEL

- Completed the Acquisition of Lake Johnston – November 2014 ✓
- Completed the Acquisition of Black Swan – March 2015 ✓
- Lake Johnston prepared for restart ✓
- Silver Swan full ownership September 2015* ✓
- Convertible Notes renegotiated and extended ✓
- Emily Ann drilling commenced 50% Government funded ✓
- R&D funding cashback to provide adequate liquidity in 2016 ✓
- Signed novel offtake agreement for Silver Swan ✓

Lake Johnston is ready for production and costs are falling

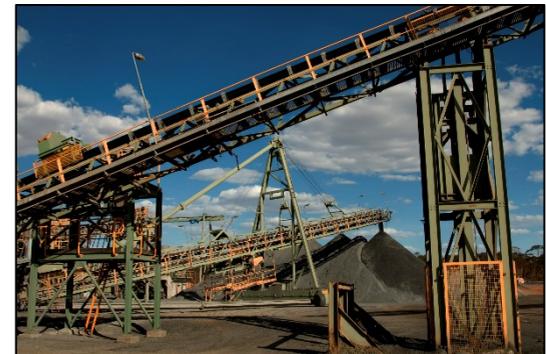
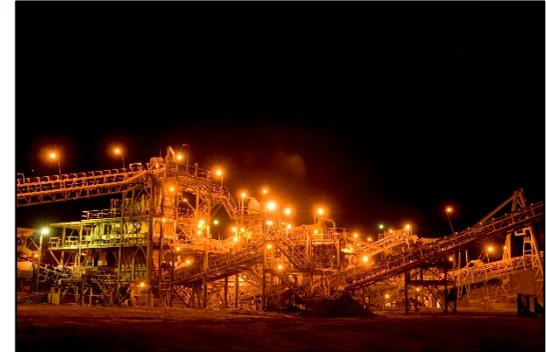
POSEIDON NICKEL

- Acquisition completed & ownership established
 - Computer systems, communications, licences and personnel fully transferred to Poseidon & functioning
 - New personnel in place and reinvigorating the site
- Site reactivation commenced
 - Filtration circuit commissioned and operated
 - Crusher circuit restarted
 - Mills & flotation tanks prepped
 - Work on hold until nickel price recovers sufficiently
- Licences submitted & granted
- 2,100 tonnes of concentrate recovered & sold to Tsingshan
 - Currently being processed in China



Lake Johnston is ready for production and costs are falling

- Mine contains 7 large pumps removing the equivalent of 1.5 Olympic sized swimming pools of water every day. This requires a 3 man onsite crew
 - Failure to do this will render future operations untenable
 - This is Poseidon's number 1 cost and consumes around 50% of our monthly budget
- Drilling Emily Ann ore body close to Maggie Hays
 - High grade area historically grade 4+% nickel
 - Drilling 50% reimbursed by West Australian Government & 50% paid to contractor in shares



Black Swan will benefit from our activities

POSEIDON NICKEL

- Black Swan open cut and the Silver Swan underground mine are now wholly owned by Poseidon
- We are completing 3 enhancements to greatly reduce production costs
 - De-constraining the Black Swan ore body. Approx 40% of ore body is high talc (MgO) which has low recoveries & a poor concentrate. Our offtake structure with Tsingshan can avoid this problem by roasting the concentrate rather than smelting. This means we can optimise flotation to enhance recovery rather than suppress MgO. This is THE MAJOR step forward for Black Swan which has eluded all others.
 - Additional ore deliveries from Windarra. Reduces Windarra capex by A\$240m and utilises spare capacity in the low cost Black Swan concentrator. We have applied for a haul road extension to reduce trucking distance.



Black Swan will benefit from our activities

POSEIDON NICKEL

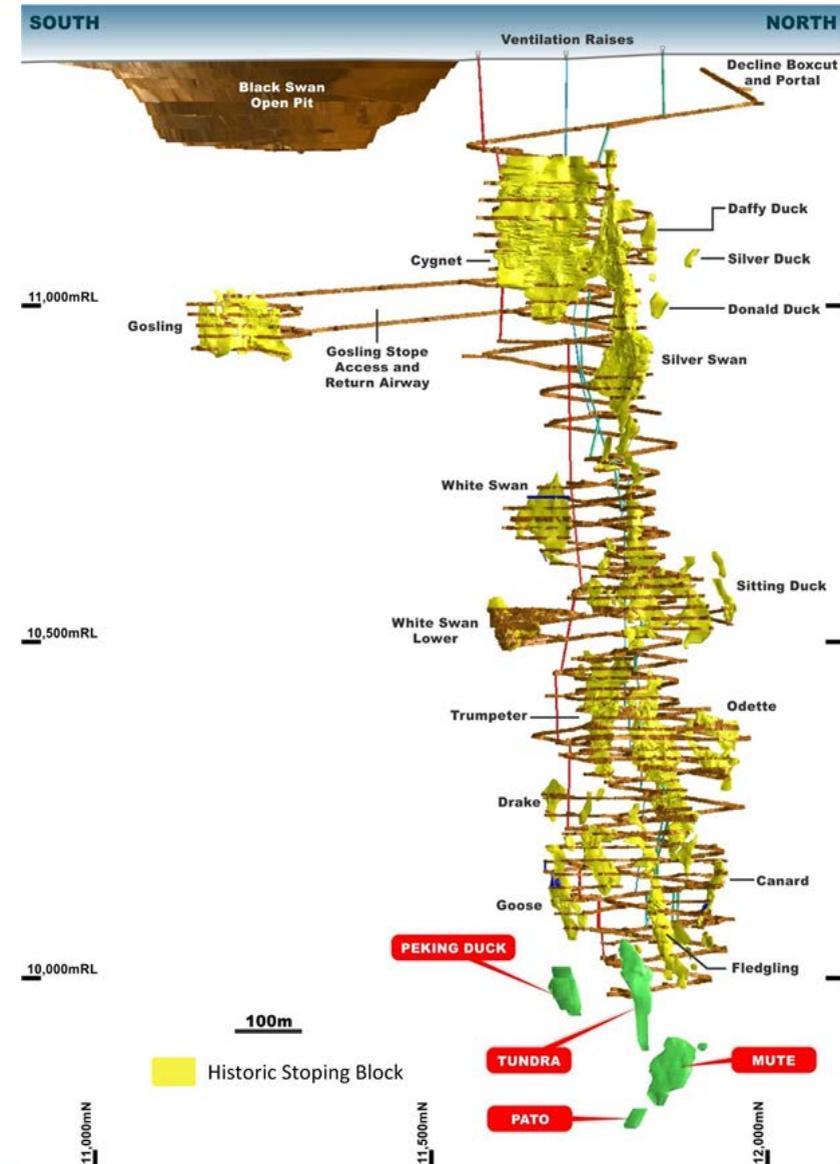
- Restart Silver Swan and direct ship to China
- Mine is under low cost care and maintenance with caretakers
 - Silver Swan is being dewatered but costs are much lower than Lake Johnston
- Licences being submitted for approval



Silver Swan could be the lowest cost nickel mine in Australia

POSEIDON NICKEL

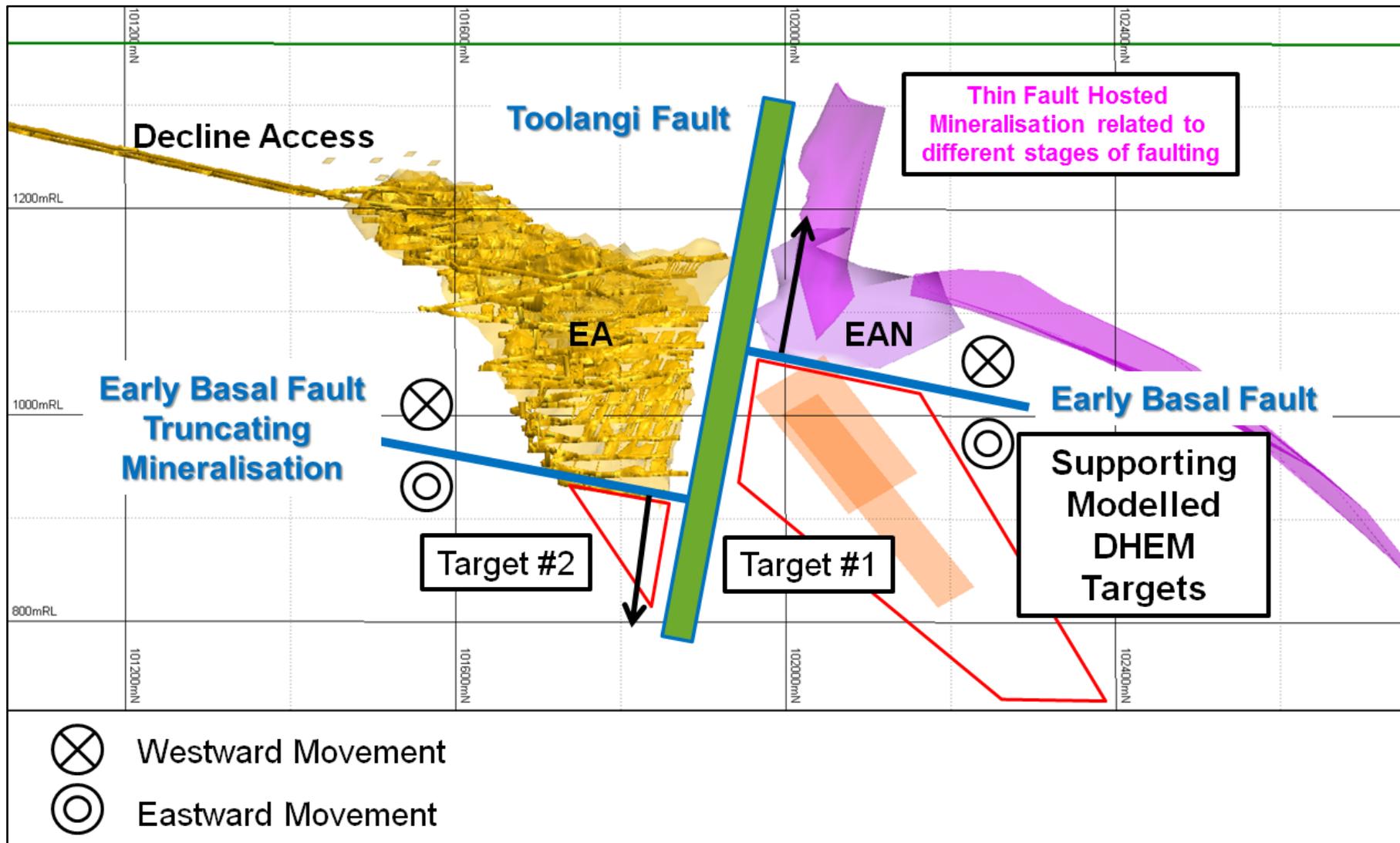
- Silver Swan is the mine for a nickel recession
- After we recovered full beneficial ownership of Silver Swan we have re-engineered what can be done
- Ore body is the World's highest grade at 12.2% and nearly twice the grade of the next highest mine that we are aware of. We believe ore output will be circa 2,500-3,000 tonnes of nickel in ore per annum. initial life is circa 30 months with extensions highly likely
- C1 operating cost will be low and likely to be in range US\$3 – US\$3.50/lb
- Decline to ore body in place and in some cases development terminates at the ore face



Silver Swan could be the lowest cost nickel mine in Australia

- Sale of ore to Tsingshan in China is a major step forward
 - Better terms than available locally or through others overseas
 - Direct shipment of ore avoids capital and operating costs for a concentrator
 - Tsingshan's novel process eliminates recovery losses
 - Time to start up approx. 6 months (subject to nickel price)
 - Silver Swan will likely be the first mine at Poseidon to open due to its low cost and exceptional grade

Emily Ann was a 4%+ ore body and we are drilling it now



*Newexco have been associated with the several other discoveries including those at Sirius Resources, Western Areas, Panoramic, etc.

Emily Ann was a 4%+ ore body and we are drilling it now

POSEIDON NICKEL

- Emily Ann was the original ore body at Lake Johnston and averaged over 4% nickel which makes it one of the higher grades in the world
- Extensive geological work by Newexco* and Poseidon analysing a large database of drill hole and electromagnetic data has indicated that more of the ore body may have been displaced along fault lines – a common geological effect locally (Western Areas)
- Poseidon was awarded an exploration incentive grant to drill the targets by the West Australian Government which covers 50% of the cost. The driller is taking shares for the other 50%
- Drilling now underway and initial results expected before Christmas

Funding Poseidon during these difficult days

POSEIDON NICKEL

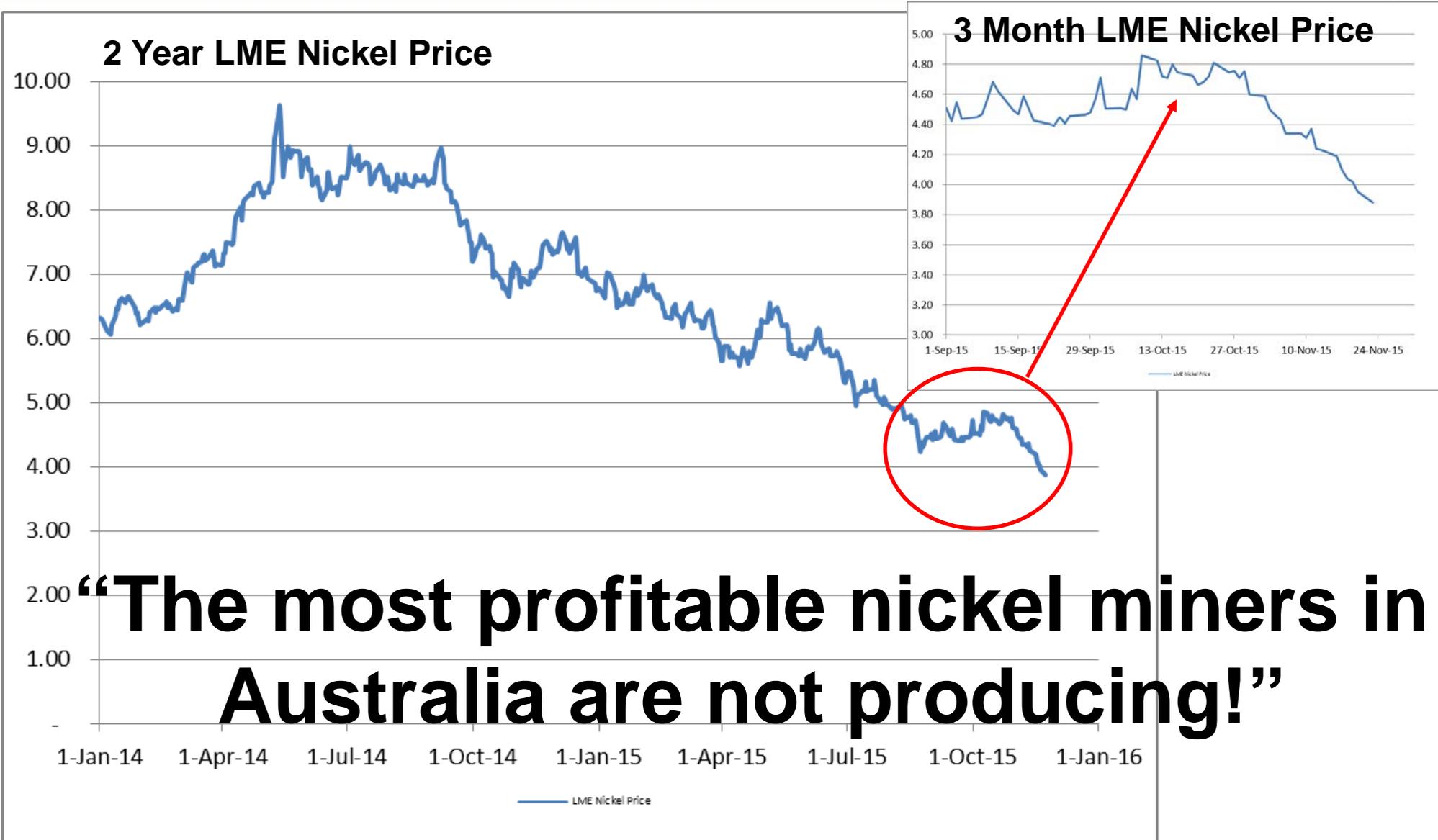
- Overall operating costs have been reduced from circa \$1.5m per month to circa \$0.35m per month net
- Directors continue to be paid in retained shares only and have taken a 20% pay cut
- Executive Management have taken a 20% pay cut
- Staffing levels have been reduced
- Income received from concentrate sales of circa A\$1m
- Expect income from R&D costs reclaim of over A\$2.5m
- Further cost cuts expected effective January 2016
- Company funded through to late 2016 based on current levels

Poseidon has achieved a great outcome in renegotiating its Convertible Notes

- Convertible Notes face value reduced by 50% to US\$17.5m (from US\$35m)
- Term increased to 5 years to September 2020
- Conversion priced reduced to 9 cents
- Over 5 years dilution to current shareholders is similar*
- General meeting to approve in January 2016
 - Independent Experts analysis will be provided to shareholders
- Clears the balance sheet to fund Silver Swan and Lake Johnston

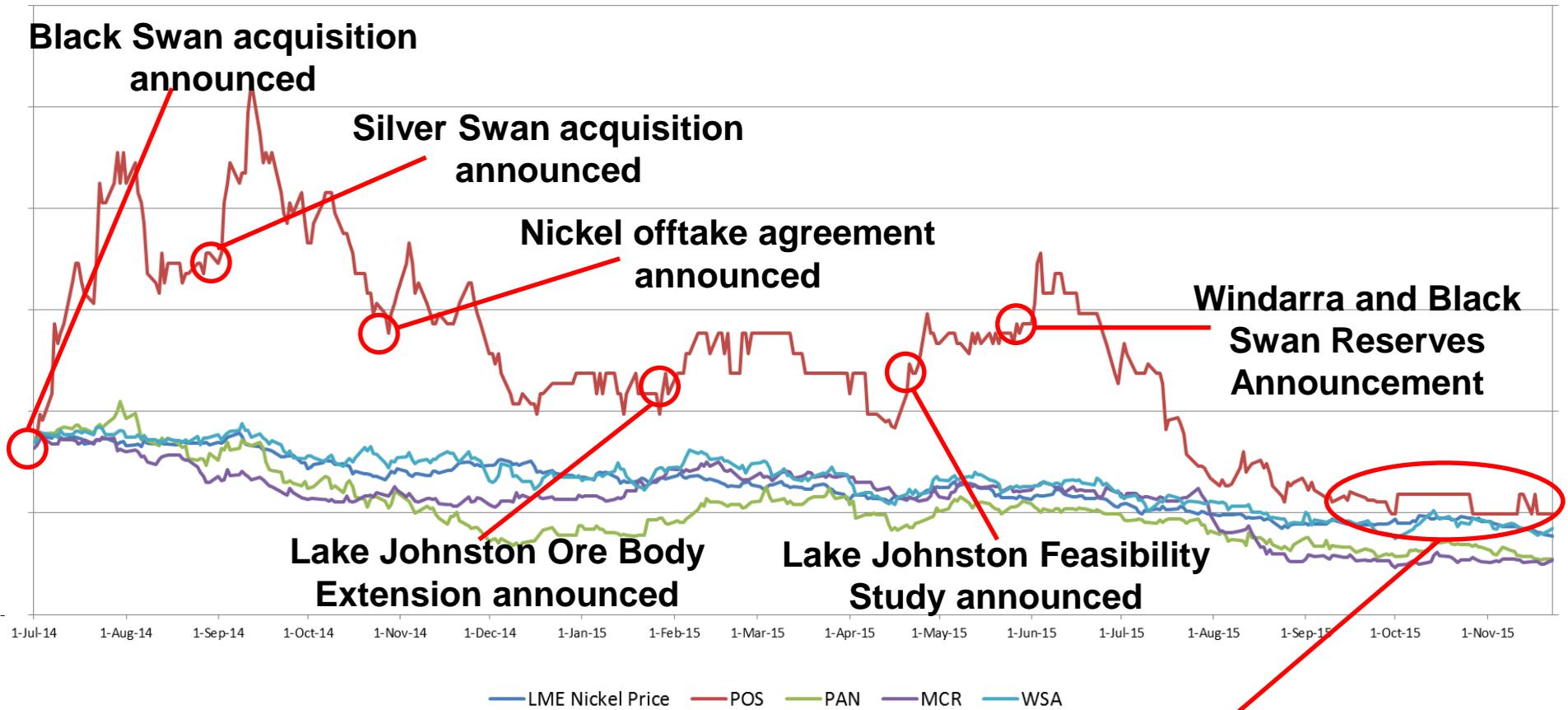
**comparing existing notes extended to 5 years compared to new notes at current economics*

Nickel Price has deeply affected all producers & now at a 12 year low



Poseidon's share price compared to nickel price & Australian Peers

LME Nickel Price vs. POS, PAN, MCR & WSA



- Announcements on:**
- Renegotiate Convertible Notes
 - Silver Swan – World's Highest Grade Mine
 - Exploration drilling commences
 - Silver Swan offtake signed

So what is our strategy from here?

- Current funding secures Poseidon for at least another year
- Assets on care & maintenance with continual focus on cost reduction
 - Where possible any approvals, licences & agreements are being secured
 - Further significant cost reductions underway
 - R&D tax rebate due imminently
- Silver Swan will be our lowest cost restart and will commence first during a recovery and potentially at nickel prices under US\$5/lb
 - Scoping study indicates very low cost
 - Ore offtake agreement signed
 - Low capital as no process plant required
- Lake Johnston will be our 2nd restart at nickel prices below US\$6/lb
- Black Swan will likely be our 3rd restart

Mineral Resource Statement

Table 1: 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 | 14,000 | 3,436 | 1.66 | 57,500 | 4,358 | 1.64 | 71,500 |
| South Windarra | 2004 | 0.80% | 772 | 0.98 | 8,000 | - | - | - | 772 | 0.98 | 8,000 |
| Cerberus | 2004 | 0.75% | 2,773 | 1.25 | 35,000 | 1,778 | 1.91 | 34,000 | 4,551 | 1.51 | 69,000 |
| BLACK SWAN PROJECT | | | | | | | | | | | |
| Black Swan | 2012 | 0.40% | 9,600 | 0.68 | 65,000 | 21,100 | 0.54 | 114,000 | 30,700 | 0.58 | 179,000 |
| Silver Swan | 2012 | 1.40% | 21.1 | 12.48 | 2,650 | 85.5 | 12.15 | 10,350 | 106.6 | 12.20 | 13,000 |
| LAKE JOHNSTON PROJECT | | | | | | | | | | | |
| Maggie Hays | 2012 | 0.80% | 2,600 | 1.60 | 41,900 | 900 | 1.17 | 10,100 | 3,500 | 1.49 | 52,000 |
| TOTAL | | | | | | | | | | | |
| Total Ni Resources | 2004 & 2012 | | 16,688 | 1.00 | 166,550 | 27,300 | 0.83 | 225,950 | 43,988 | 0.89 | 392,500 |

Note: totals may not sum exactly due to rounding

Mineral Resource Statement

Table 2: 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) |
| 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 |

Table 3: Nickel Project Ore Reserve Statement

| Nickel Sulphide Reserves | JORC Compliance | Ore Reserve Category | | |
|------------------------------|-----------------|----------------------|-----------|---------------|
| | | Probable | | |
| | | Tonnes (Mt) | Ni% Grade | Ni Metal (Kt) |
| LAKE JOHNSTON PROJECT | | | | |
| Maggie Hays | 2012 | 1.9 | 1.19 | 22.6 |
| BLACK SWAN PROJECT | | | | |
| Black Swan | 2012 | 3.4 | 0.63 | 21.5 |
| WINDARRA PROJECT | | | | |
| Mt Windarra | 2012 | 0.6 | 1.70 | 9.6 |
| Cerberus | 2004 | 1.2 | 1.30 | 16.0 |
| Windarra Sub Total | | 1.8 | 1.42 | 25.6 |
| TOTAL | | | | |
| Total Ni Reserves | 2004 & 2012 | 7.1 | 0.98 | 69.7 |

*Note: totals may not sum exactly due to rounding
Calculations have been rounded to the nearest 100,000 t of ore, 0.01 % Ni grade and 100 t Ni metal.*

Competent Persons Statement

The information in this report which relates to the Lake Johnston Mineral Resource 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 Andrew Weeks who is a full-time employee of Golder Associates Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy.

The information in this report which relates to the Lake Johnston Ore Reserves Project is based on information compiled by Matt Keenan who is a full time employee of Entech Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy.

The information in this report which relates to the Silver Swan Mineral Resource 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.

The information in this report which relates to the Black Swan Mineral Resource and Ore Reserves is based on information compiled by Andrew Weeks who is a full-time employee of Golder Associates Pty Ltd. as well as Francois Bazin of IMC Mining Pty Ltd. Both are Members of the Australasian Institute of Mining and Metallurgy.

The information in this report that relates to Mineral Resources at the Windarra Nickel Project 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 Reserve at the Windarra Nickel Project is based on information compiled Leanne Cureton and Andrew Law who are both full time employees of Optiro Pty Ltd and are a Member and a Fellow of the Australasian Institute of Mining and Metallurgy respectively.

Mr Hutchison, Mr Glacken, Mr Keenan, Mr Weeks, Mr Bazin, Mr Law & Ms Cureton all 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code 2012). Mr Hutchison, Mr Glacken, Mr Keenan, Mr Weeks, Mr Bazin, Mr Law & Ms Cureton have consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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.

Disclaimer

This presentation has been prepared for the purpose of providing general information about Poseidon Nickel Limited ("Poseidon"). It should not be considered as an offer or invitation to subscribe for or purchase any securities in Poseidon or as an inducement to make an offer or invitation with respect to those securities. It is not recommended that any person makes an investment decision in relation to Poseidon in reliance on this presentation material.

This presentation contains forecasts and forward looking statements. Such statements are predictions only based on available data which maybe unreliable and is subject to inherent risks and uncertainties which could cause actual values, results, performances or achievements to differ materially from those expressed, implied or projected in this presentation.

This overview does not purport to be all-inclusive or to contain all information which its recipients may require in order to make an informed assessment of the projects prospects. Each of Poseidon, its officers, employees and advisers expressly disclaims any responsibility for the accuracy or completeness of the material contained in this presentation and excludes all liability for any loss or damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission there from. Poseidon accepts no responsibility to update any person regarding any inaccuracy, omission or change in information in this presentation.



POSEIDONNICKEL