



Annual General Meeting

12th October 2016

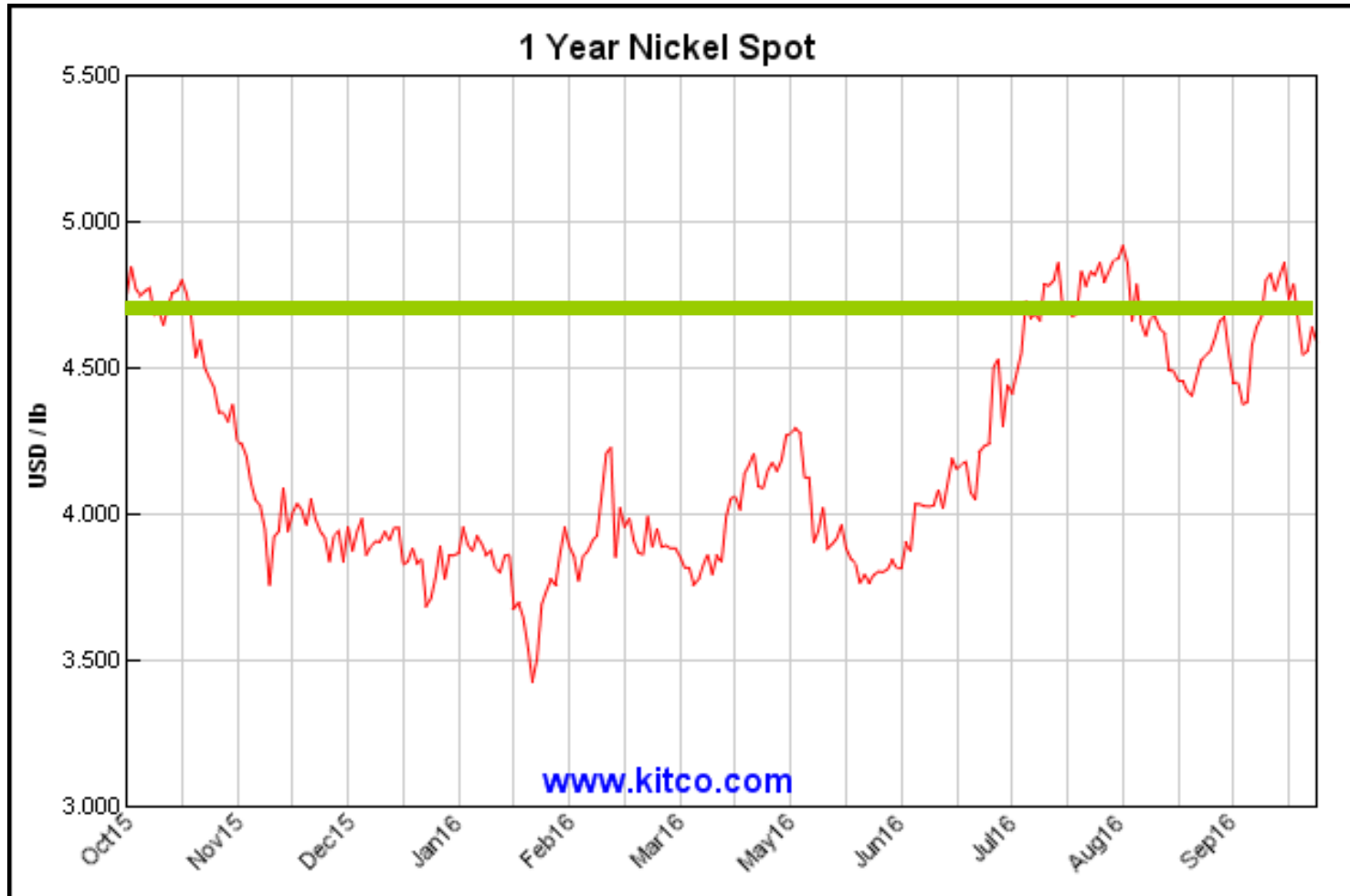
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Context

The reality of the present nickel market

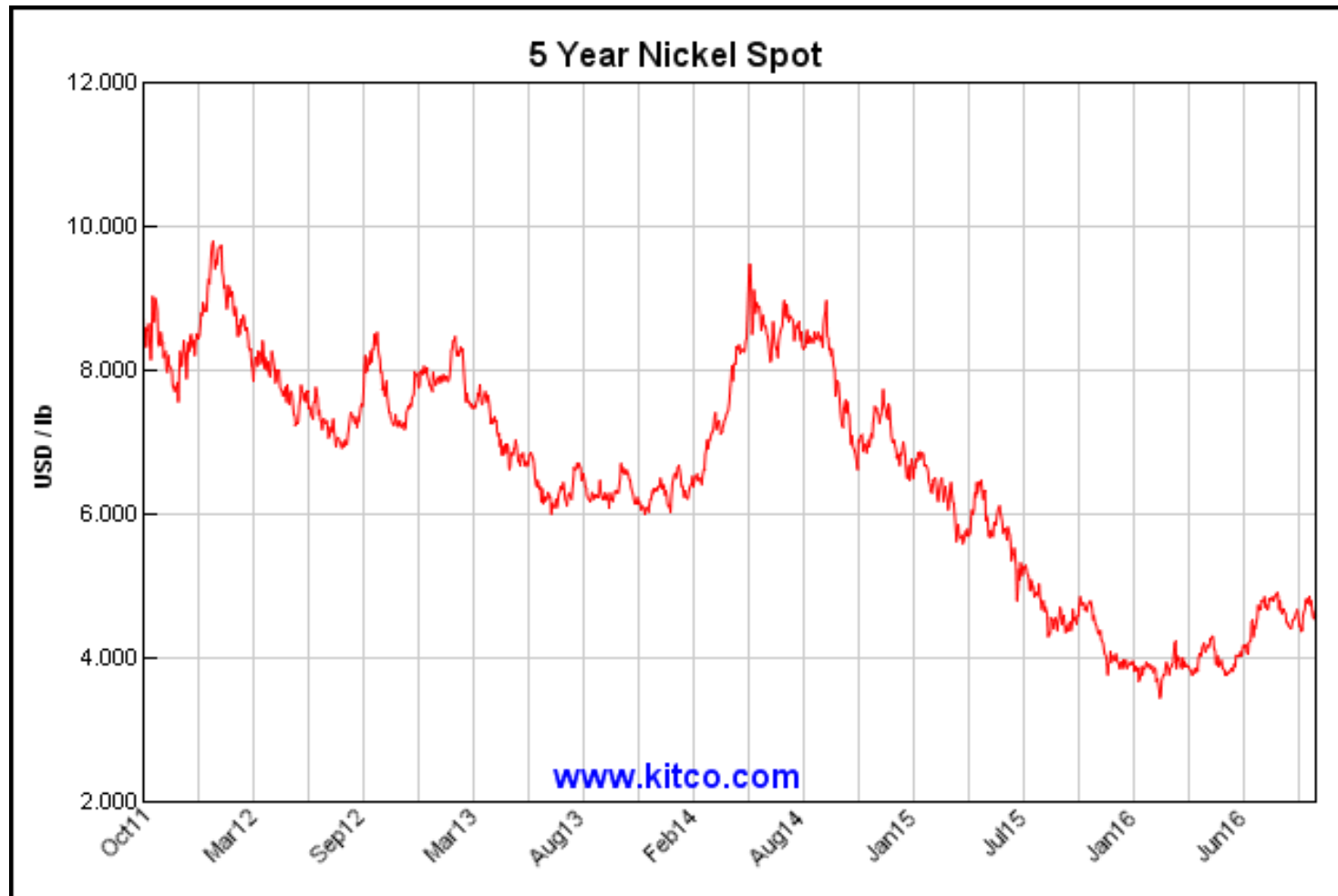
- ✓ Nickel price remains soft <US\$5/lb-Ni
- ✓ LME nickel stocks remain stubbornly high
- ✓ 70% of the world's nickel is reported as loss making
- ✓ Philippines uncertainty is driving market volatility
- ✓ Indonesian ferro-nickel ramping up
- ✓ There are optimistic and pessimistic forces
- ✓ Forecasting circa 100,000 tonnes nickel shortfall
- ✓ However analysts proven to be unreliable

Looking at the facts about Nickel



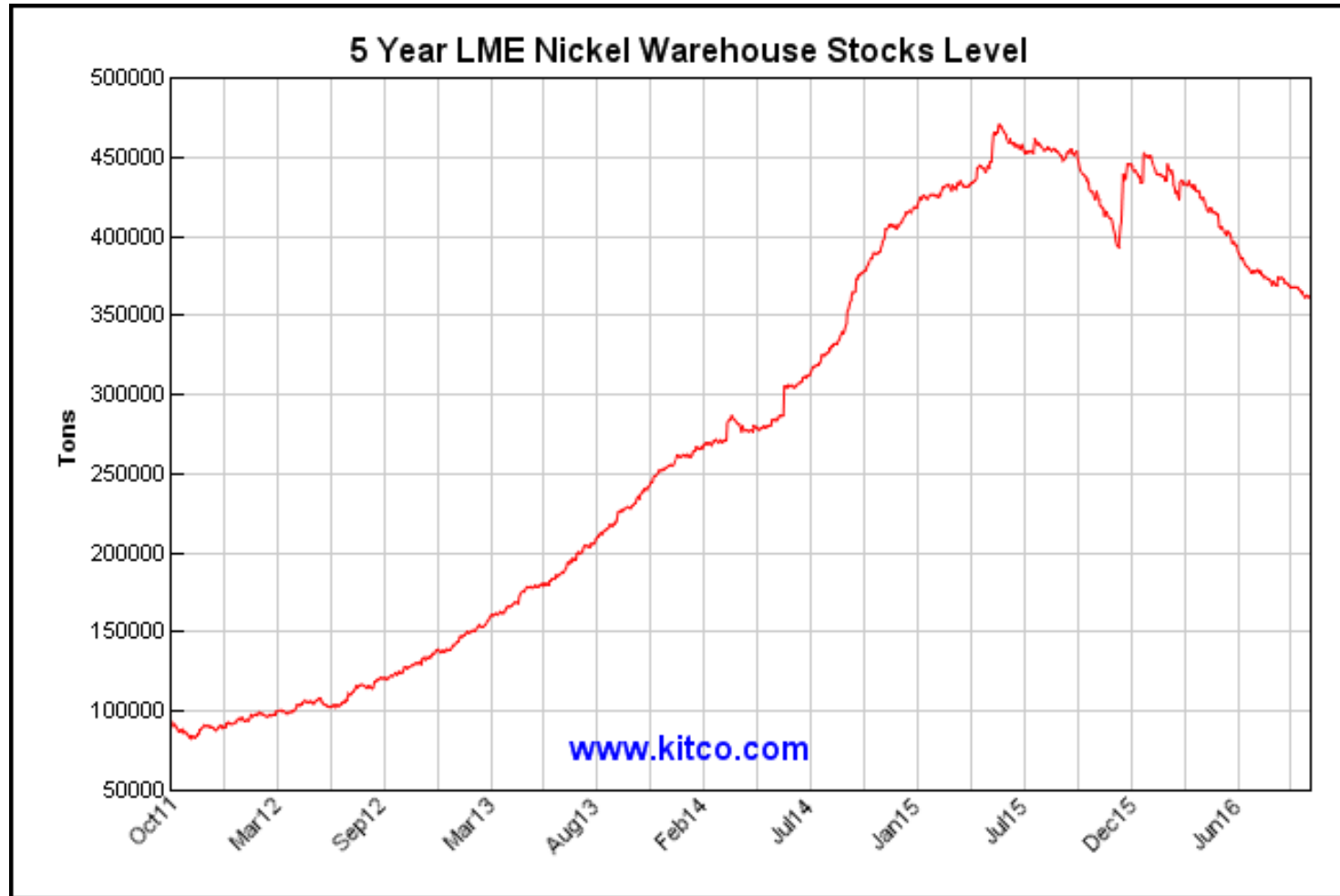
The nickel price is essentially flat in the past year

Sooner or later we expect price recovery



When do we expect that recovery?

That is a matter of personal speculation.



The Company

Survive and evolve as we wait for the market to improve

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1. Cost Control
2. Improve the economics of production
3. Exploiting other assets
4. Look for other opportunities

Actively pursuing the strategy

1) Cost Control

- Reduced personnel to the core
 - CEO resigned & not replaced
 - GM-Commercial – redundant
 - HR Manager – redundant
 - Site staff redundancies
- Company Secretarial now in-house
- Withdrew underground equipment at Lake Johnston & Windarra
- Line by line cost review
- Terminated the Magma JV with Panoramic

Actively pursuing the strategy

2) Improve the economics of production

- Successful drilling programme at Emily Ann North
- Silver Swan resource defined and announced
- Tsingshan offtake agreement extended
- Silver Swan engineering study to refine start up costs
- Silver Swan geotechnical plan underway

Actively pursuing the strategy

3) Exploiting other assets

- Legal work to withdraw from the Windarra State Act to enable exploitation of the gold tailing stockpile at Windarra over 180,000 oz in gold resource
- Lithium mineralisation identified at Lake Johnston
- Negotiations with Kidman Resources for the potential refining of their lithium at Lake Johnston

4) Looking at opportunities

- In the current downturn, assets are available for a fraction of their boom time cost
- Lake Johnston and Silver Swan were bargains that offer Poseidon great potential when the market turns
- We are looking at opportunities for other undervalued assets which no longer fit their owners strategies
- Strong focus on R&D

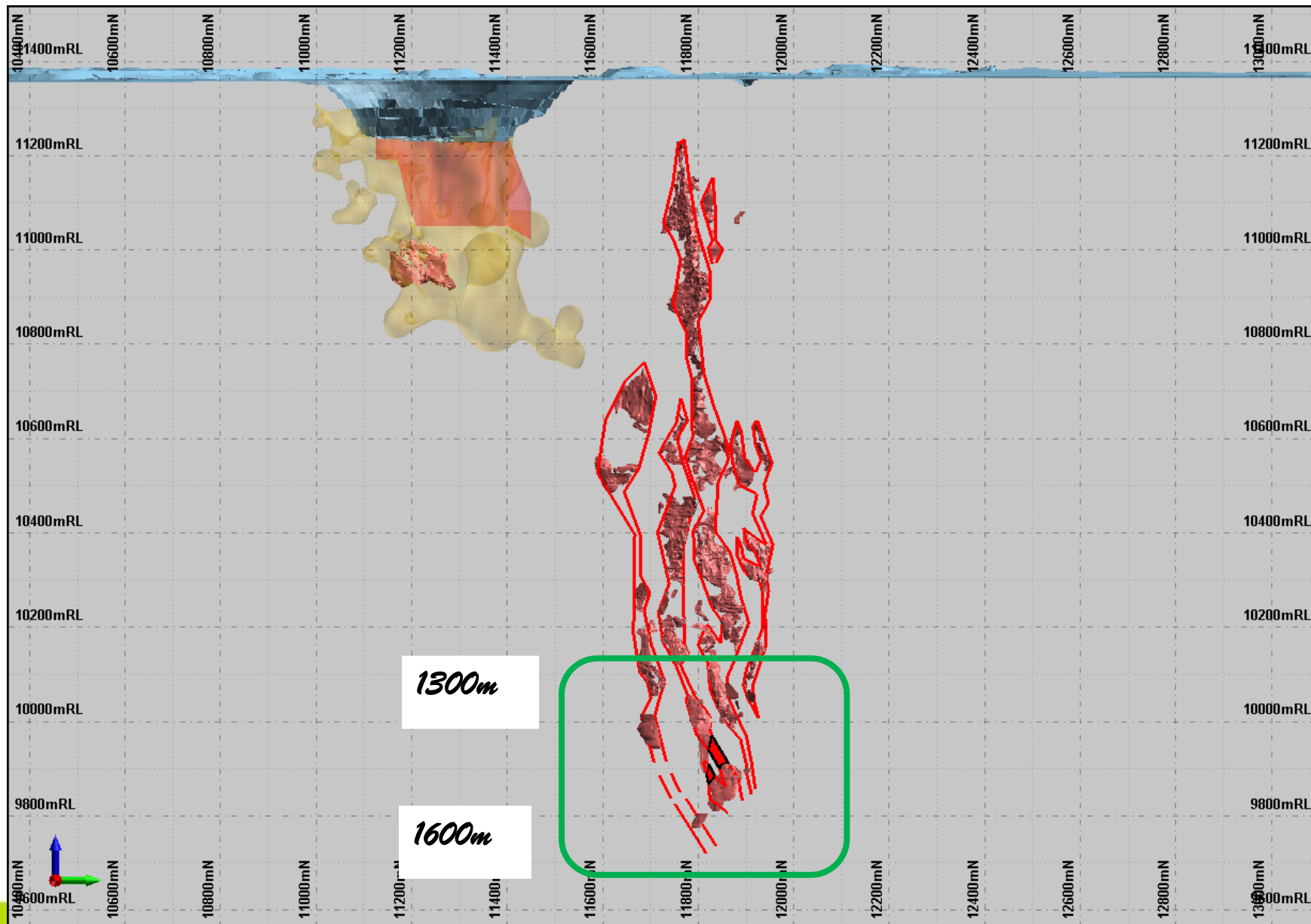


Geology Update

- 1. Silver Swan Mine**
- 2. Lake Johnston Exploration**
 - i. Abi Rose Ni Discovery**
 - ii. Lithium Exploration**

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Silver Swan Mine



Resource Upgrade

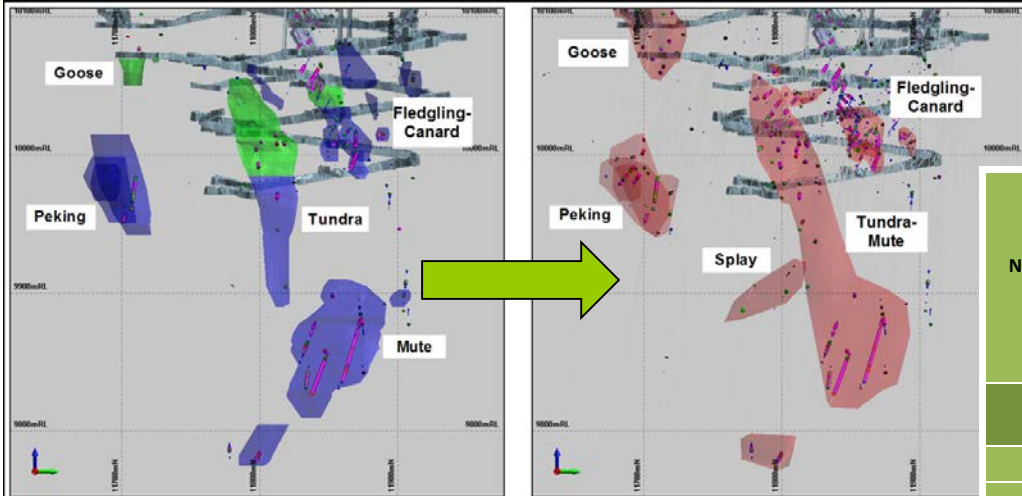


Figure 1: Changes between the September 2015 Model (left) and the May 2016 Model (right) in the Tundra-Mute area

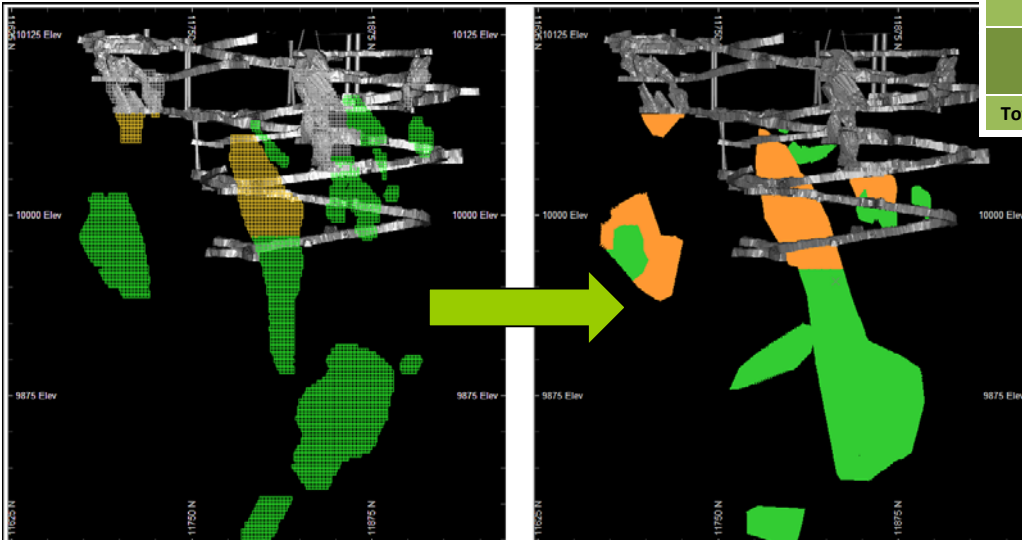


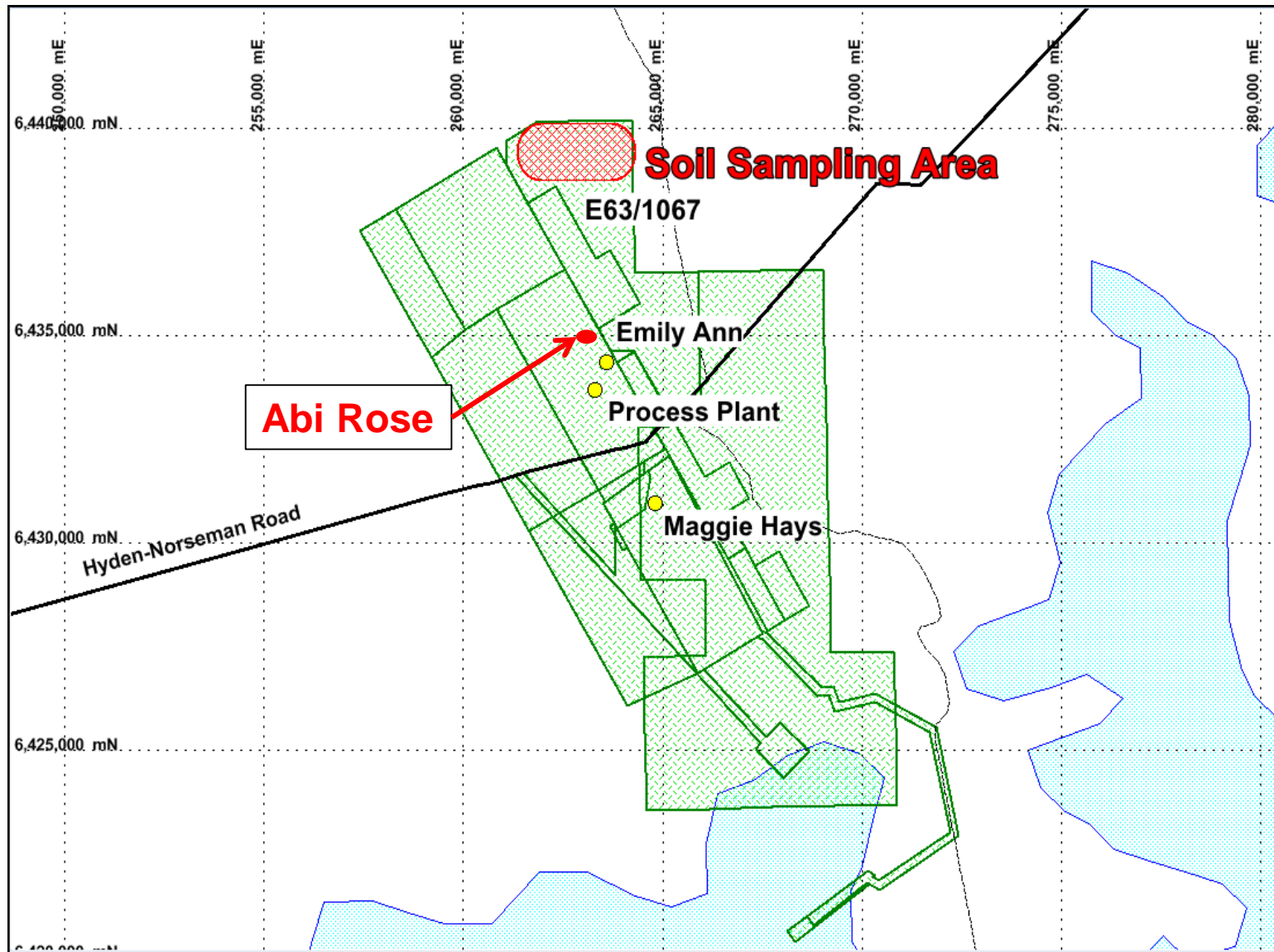
Figure 2: Long section looking west showing previous model (left) compared to the May 2016 Mineral Resource classification (right)

180% Increase in Indicated Resource

Nickel sulphide resource	Mineral Resource category								
	Indicated			Inferred			TOTAL		
	Tonnes (Kt)	Grade Ni (%)	Ni metal (t)	Tonnes (Kt)	Grade Ni (%)	Ni metal (t)	Tonnes (Kt)	Grade Ni (%)	Ni metal (t)
SILVER SWAN PROJECT									
Tundra-Mute	24.0	9.20	2,200	73.3	8.85	6,480	97.2	8.94	8,690
Peking Duck	20.7	8.79	1,820	8.0	10.20	820	28.7	9.18	2,640
Fledgling-Canard	5.8	10.36	600	2.9	9.81	280	8.7	10.18	880
Goose	1.5	10.04	150	-	-	-	1.5	10.04	150
TOTAL									
Total Ni resource	52	9.19	4,800	84	9.01	7,600	136	9.08	12,400

- Rebuilt geotech model with new interp
- Computerised stress testing in progress
- Mine design optimisation in progress
- Aiming for Ore Reserve in near future

Lake Johnston Exploration



Abi Rose Discovery-Lake Johnston

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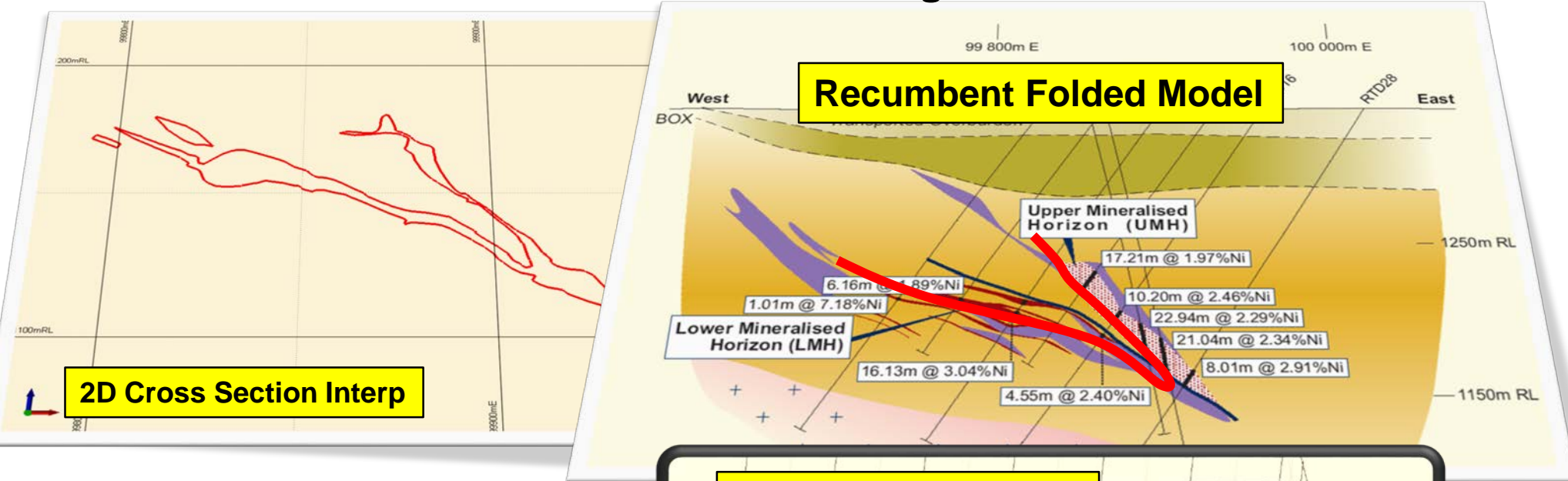
Hole ID	From_m	To_m	Width	Ni Grade	Details
PLJD0001	435.39	435.58	0.19	10.2%	Remobilised massive sulphide in felsics
PLJD0002	432.00	442.48	10.48	3.20%	Felsic, ultramafic and remobilised sulphide in hw & fw
incl	435.69	441.41	5.72	4.66%	Mineralised Ultramafic Interval
incl	439.09	441.41	2.32	7.62%	Lower Massive Zone
incl	440.12	441.41	1.29	10.22%	High Grade base
PLJD0003	446.10	447.23	1.13	3.35%	Massive sulphides in felsics
	446.10	446.36	0.26	8.67%	Remobilised massive sulphides
	449.00	449.62	0.62	1.75%	Stringer and disseminated sulphides

The Rivers Run Black:
 • A Nickel Geologists Dream

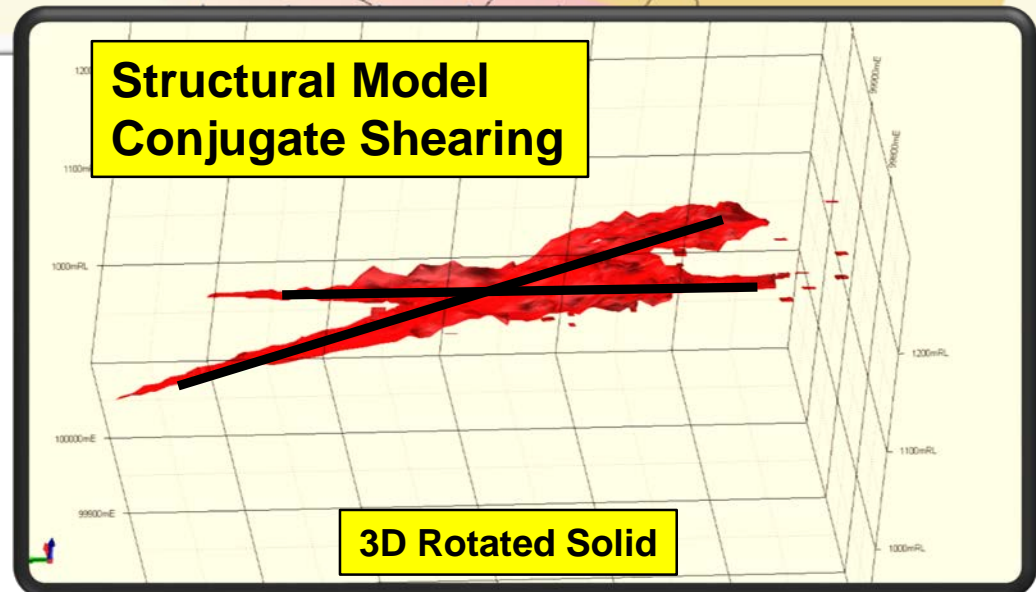


Out with the Old, In with the New

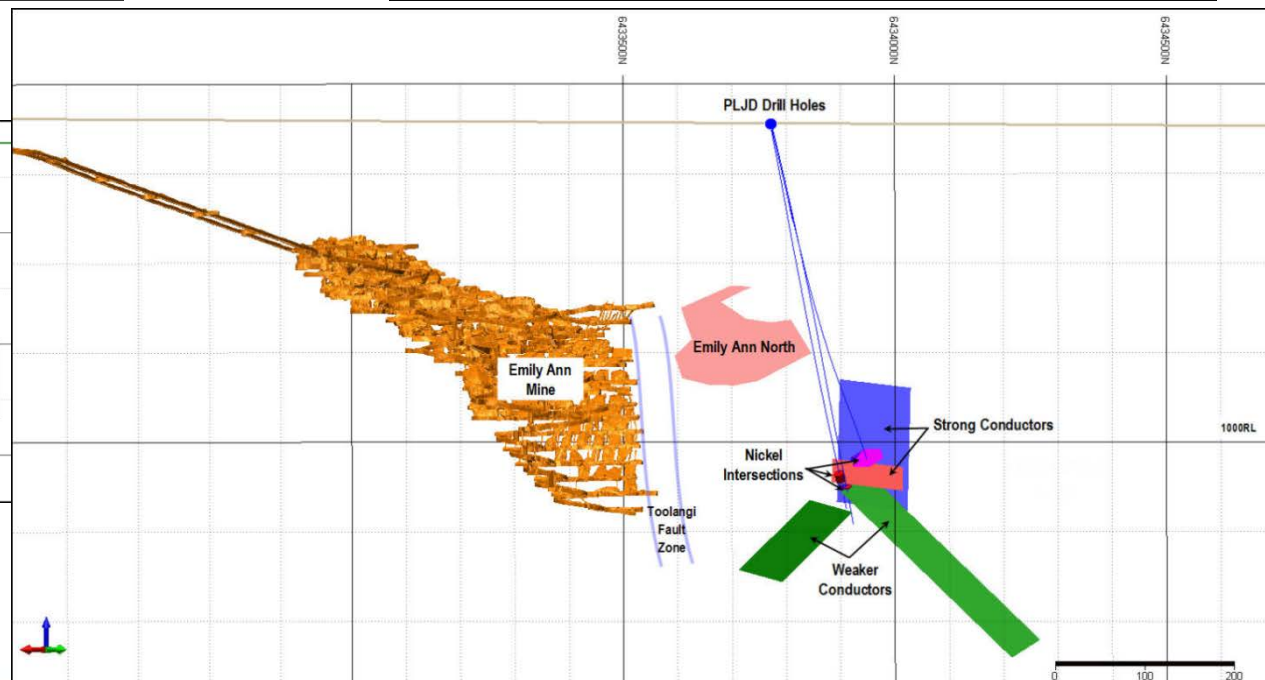
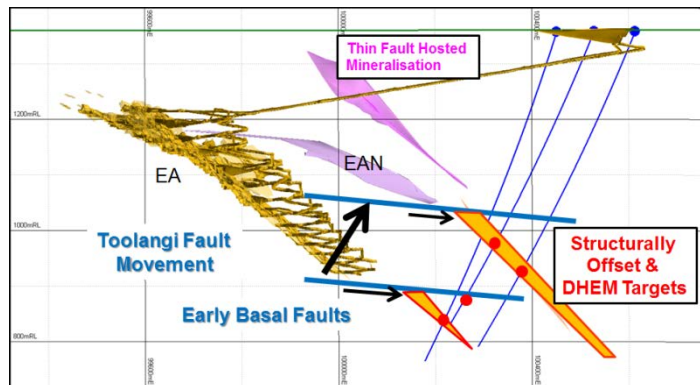
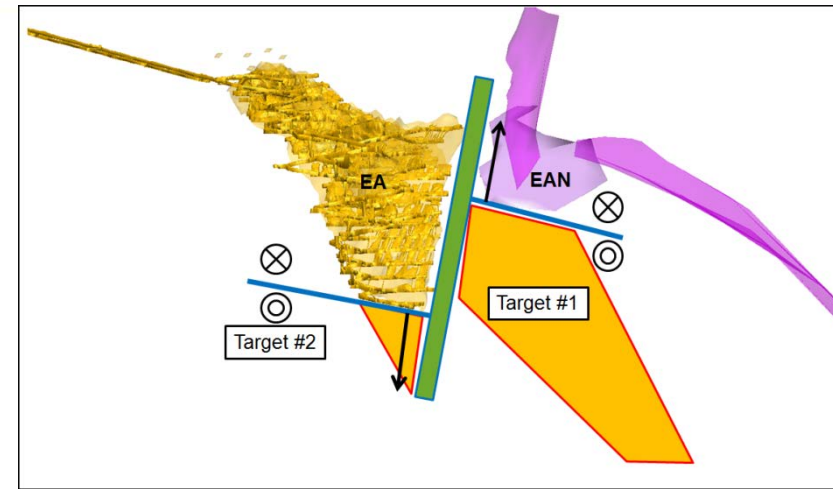
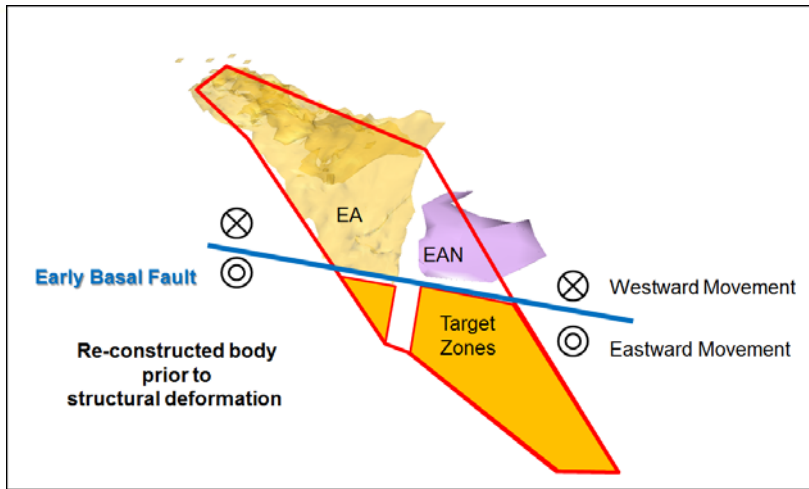
Old Models = Limited Targets



New Models = Opportunities

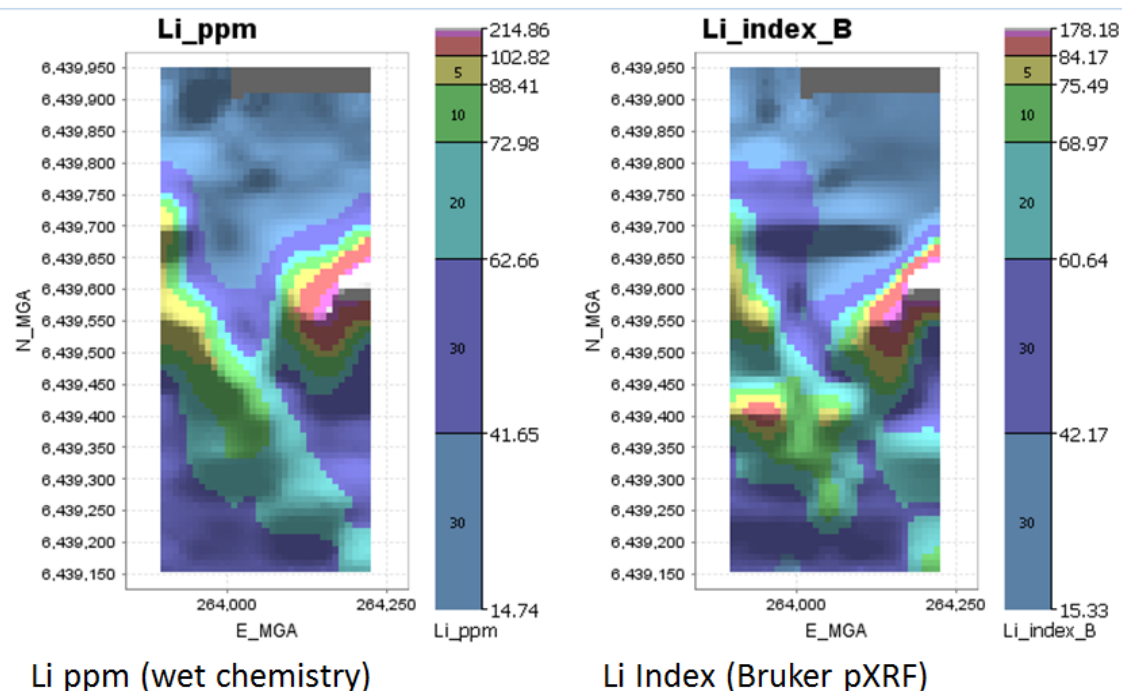


From Concept to Reality: Via Grant

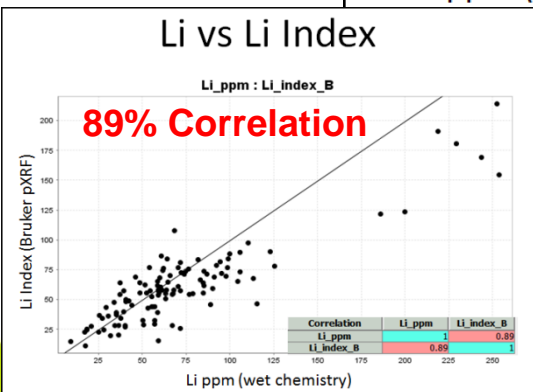


Innovative Lithium Testwork

Lithium images



Based on the initial samples that were dispatched to Intertek (n = 116)



Geochem Services, WP
Bruker pXRF gun
Results; 2 days
Cost; \$800

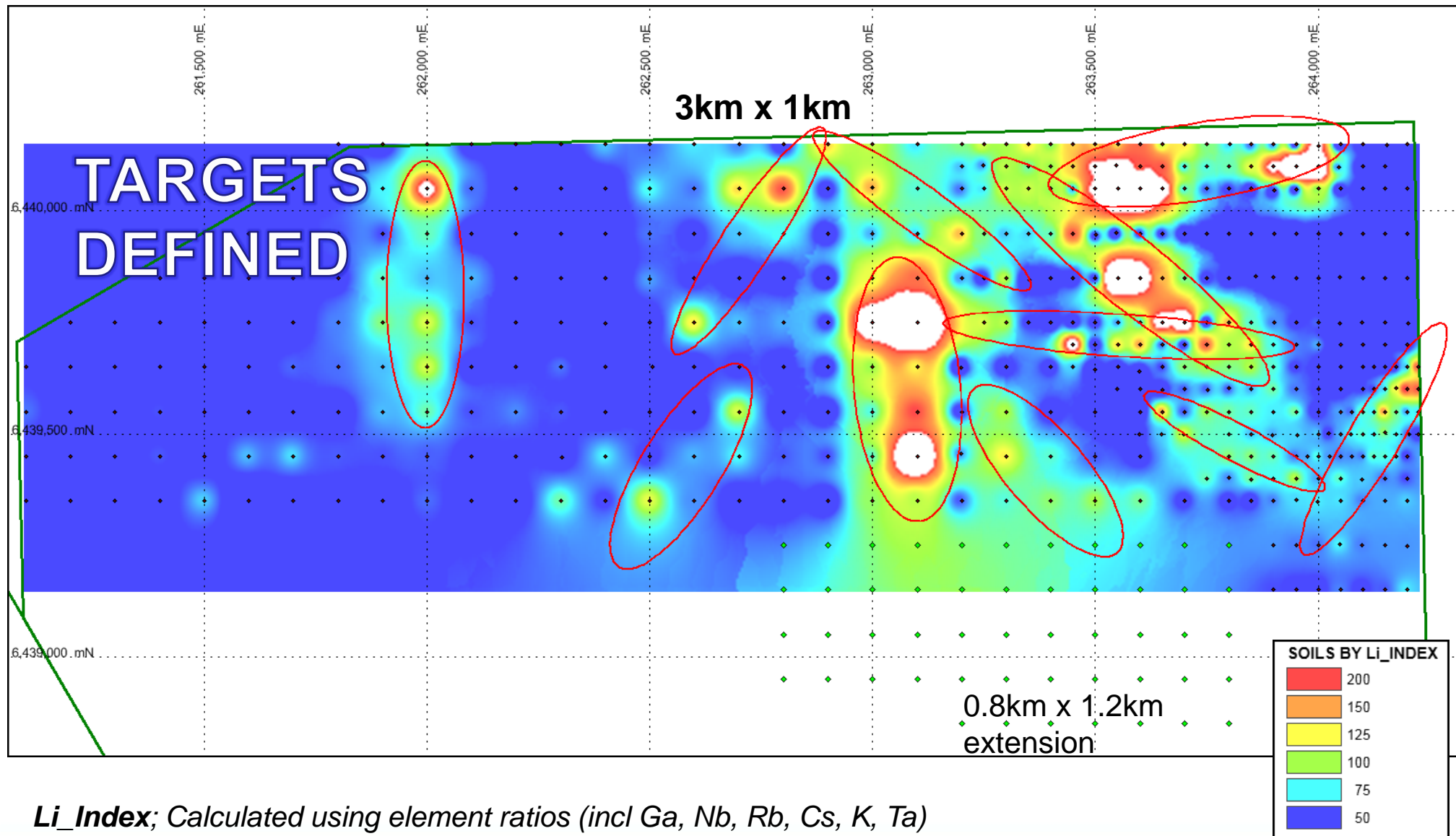
Purchased a Li_Index
calibrated pXRF unit

Field crew now analyse
in site lab for rapid data
turnaround



Outstanding Geochemistry Results

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Geochemistry Leads to Pegmatite Outcrops

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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	4.50%	52	9.19	4,800	84	9.01	7,600	136	9.08	12,400
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		16,720	1.01	168,700	27,300	0.82	223,200	44,020	0.89	391,900

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)	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

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 that relates to Exploration Results is based on information compiled and reviewed by Mr N Hutchison, General Manager of Geology who is a full-time employee at Poseidon Nickel, and is a Member of The Australian Institute of Geoscientists.

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.

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

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