Journey to 100,000 Tonnes of Nickel

Presented by David Singleton, Managing Director & CEO

Australian Nickel Conference
October 2009

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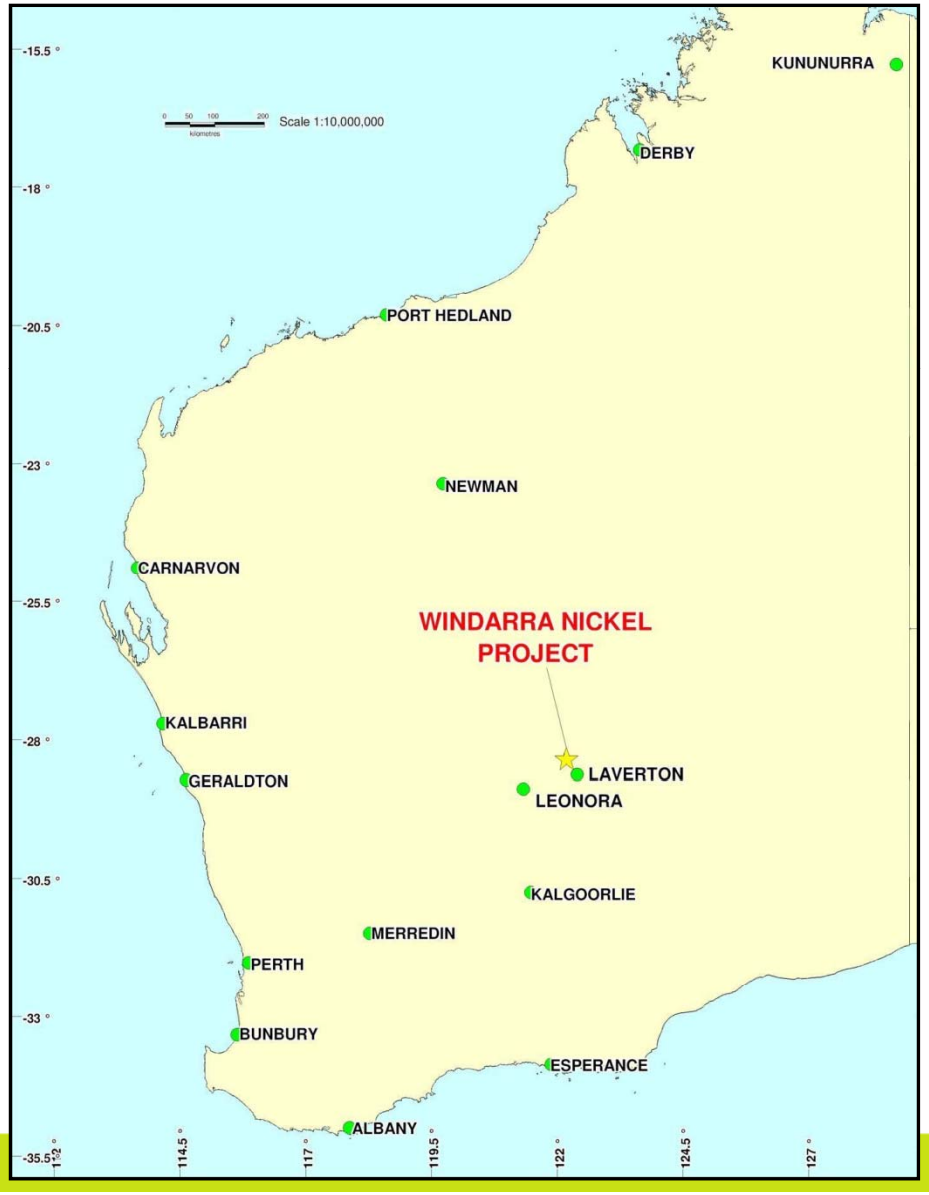
Windarra

Historically Highly Prospective Region close to major towns and infrastructure



- **Discovered in the late 1960's the Windarra site has significant operational infrastructure in place and is close to the major mining town of Kalgoorlie.**
- **Processed up to 1 million tonnes of ore per annum, producing over 129,200 tonnes of nickel metal.**
- **Closed in 1989 due to low historic nickel price.**
- **Data reinterpretation**

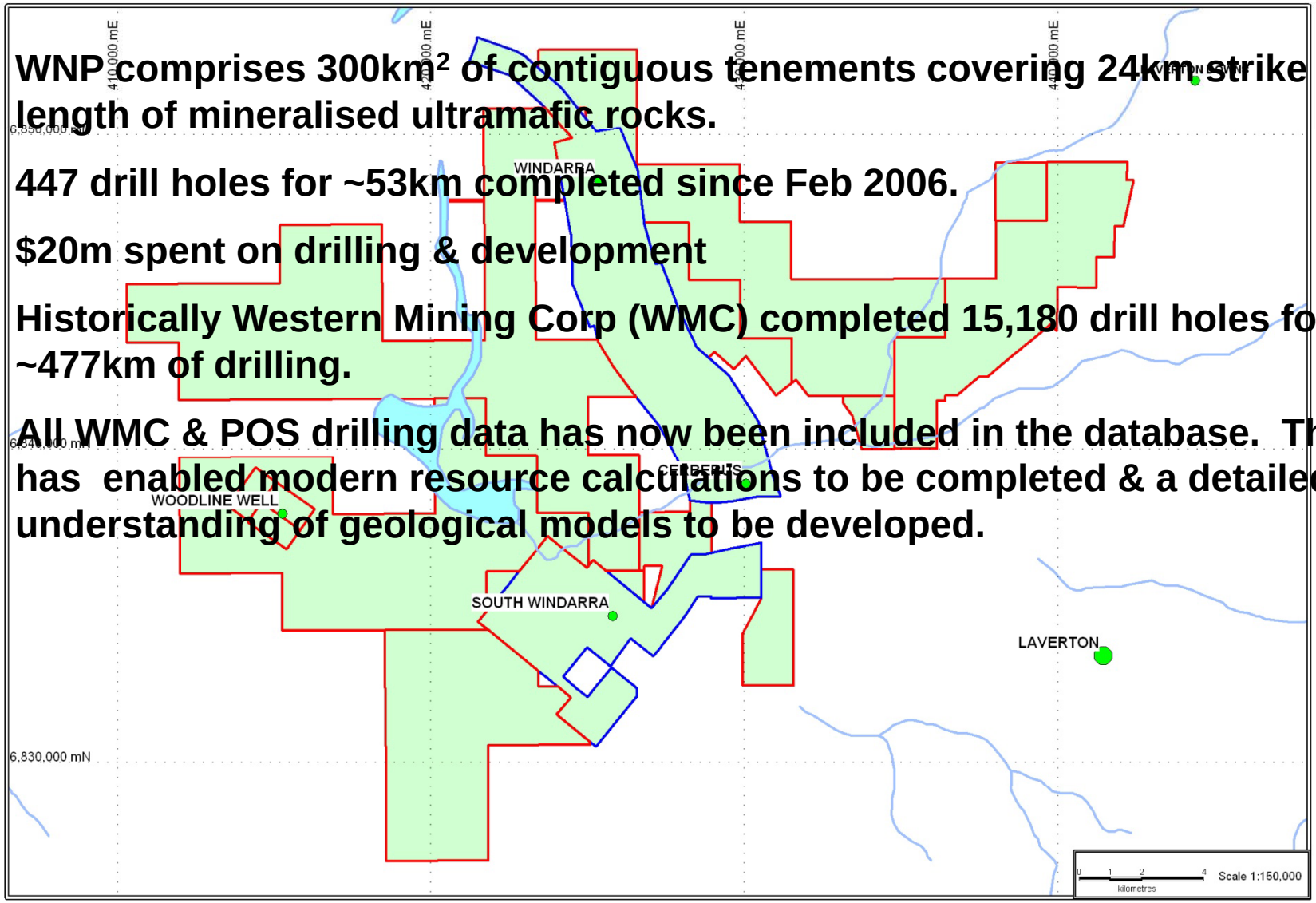
  Resource drilling

  Greenfields exploration.

Windarra Nickel Project (WNP)

Exploration Summary

- **WNP comprises 300km^2 of contiguous tenements covering 24km strike length of mineralised ultramafic rocks.**
- **447 drill holes for ~53km completed since Feb 2006.**
- **$20m spent on drilling & development**
- **Historically Western Mining Corp (WMC) completed 15,180 drill holes for ~477km of drilling.**
- **All WMC & POS drilling data has now been included in the database. This has enabled modern resource calculations to be completed & a detailed understanding of geological models to be developed.**



Work over the last 2 years has resulted in a defined 6.28m tonnes of ore at 1.65% for 103,446t of nickel metal

WINDARRA NICKEL PROJECT: SULPHIDE RESOURCE STATEMENT

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%	1,017,429	1.24	12,578	2,751,087	1.79	49,185	3,768,516	1.64	61,764
South Windarra	0.90%	820,326	1.15	9,434	82,404	1.05	864	902,730	1.14	10,298
Cerberus	1.50%				1,033,328	2.45	25,269	1,033,328	2.45	25,269
Total Sulphide		**1,837,755**	**1.20**	**22,012**	**3,866,819**	**1.95**	**75,318**	**5,704,574**	**1.71**	**97,331**

WINDARRA NICKEL PROJECT: OXIDE RESOURCE STATEMENT

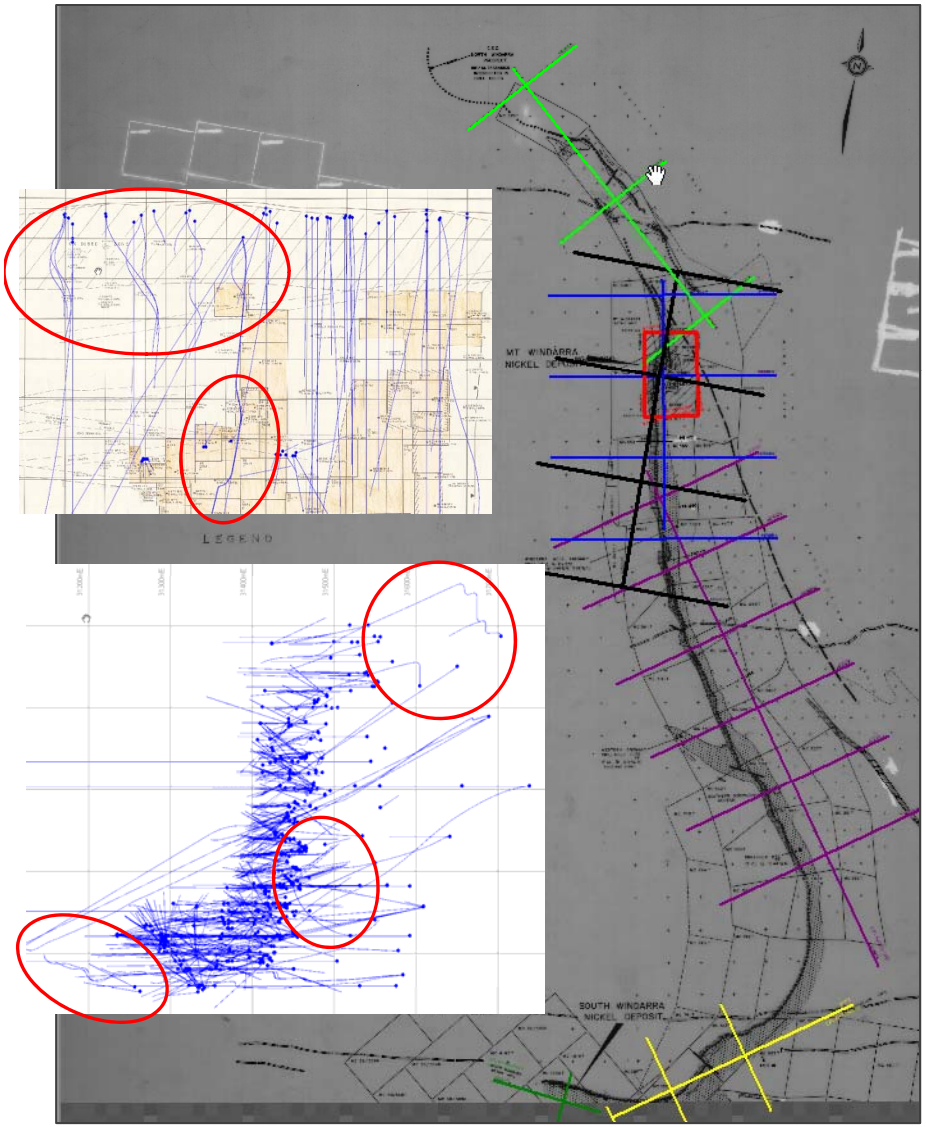
Windarra Nickel Project Oxides	Cut Off Grade	Resource Category								
		Indicated			Inferred			TOTAL		
		Tonnes	Ni% Grade	Ni Metal t	Tonnes	Ni% Grade	Ni Metal t	Tonnes	Ni% Grade	Ni Metal t
Woodline Well	0.75%				266,382	1.38	3,676	266,382	1.38	3,676
South Windarra Dumps	0.50%	311,312	0.78	2,439				311,312	0.78	2,439
Total Oxide		**311,312**	**0.78**	**2,439**	**266,382**	**1.38**	**3676**	**577,694**	**1.06**	**6,115**

Note: The information in this Presentation relates to Exploration Results and Mineral Resources based on information compiled by Mr N Hutchison who is a Member of The Australian Institute of Geoscientists. Mr Hutchison has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is 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.' He has consented to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

Mining the Historical Database

1. Recognition of an existing opportunity with plenty of upside.
2. Compilation and digital capture of extensive historic data collection.
3. Correction and validation of historical logs & digital database.
4. 3D modelling of WMC data & drilling to confirm.
5. Remodelling and resource estimations to JORC standards with Poseidon interpretations.
6. Progressively drilling & updating resource model with new information.
7. Utilising historical geochem datasets.
8. Interpret results with modern geological models in mind.
9. Prioritising exploration.

Initial Problems with Capturing Historical Information



- No digital models of workings, geology or mineralisation
- 6 Local grid systems + 1 old National Grid System (AMG66) in database
- All needed to be transformed to current MGA94 National Grid System
- No modern survey control. Re-established old Windarra & Sth Windarra survey points and transformed to MGA94 grid
- Un-realistic azimuths in database due to erratic ground magnetics, and no records of geologists corrected azimuths
- Many holes recorded in feet/inches and had to be converted
- Many critical holes and assay data was recorded on long-sections, but missing from database
- Multiple rock codes used over the generations

Time Well Invested, at a Fraction of the Cost to Re-drill

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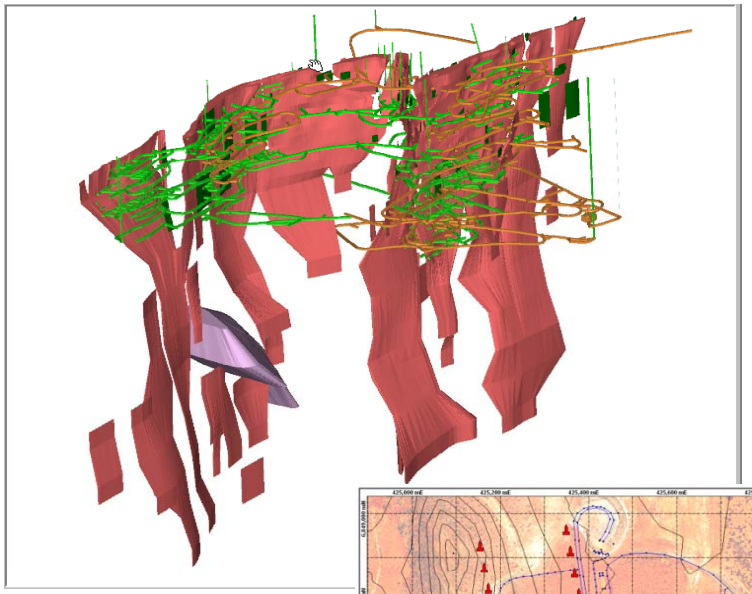
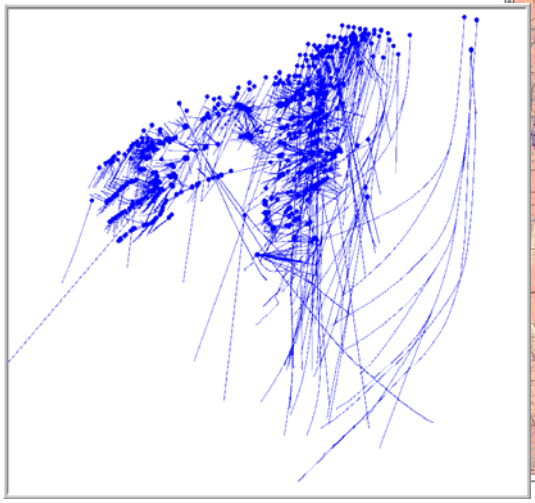
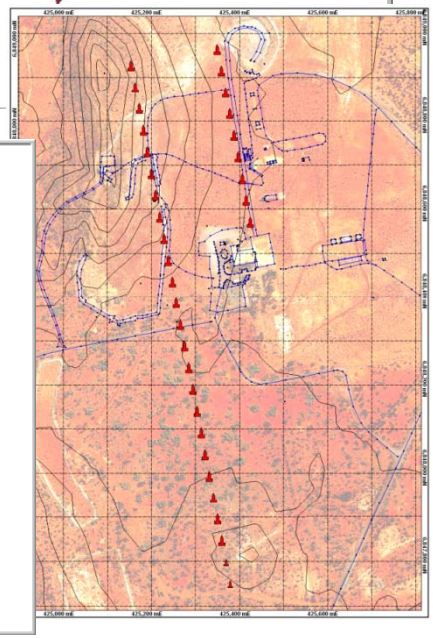
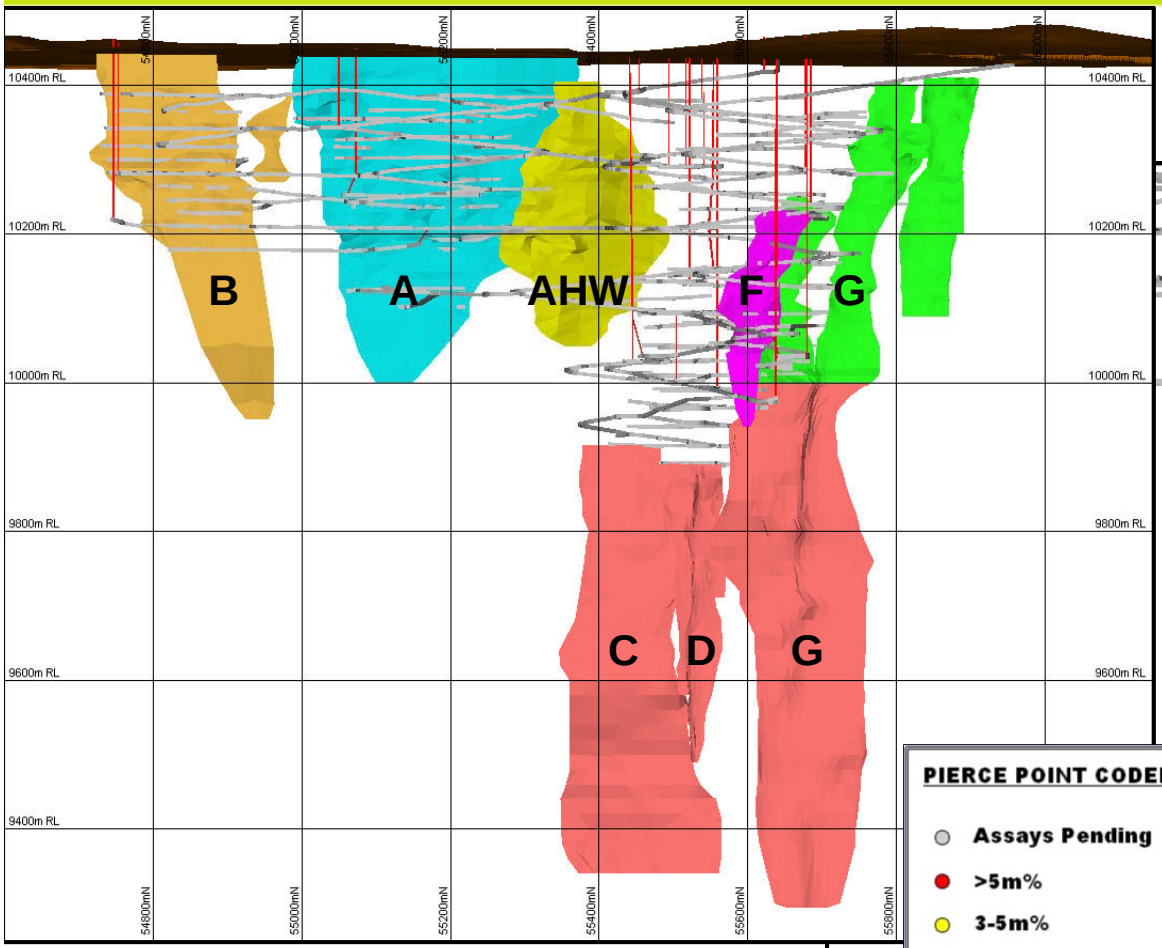
- 3D wire-framing of WMC workings & interpretations.
- Drill hole database validation and grid transformation completed.
- Drill hole dip/azimuth corrections completed.
- Missing holes and missing assay data validation completed.
- Survey & topographic control established.
- Drilling & resource estimation to JORC standards could now begin.

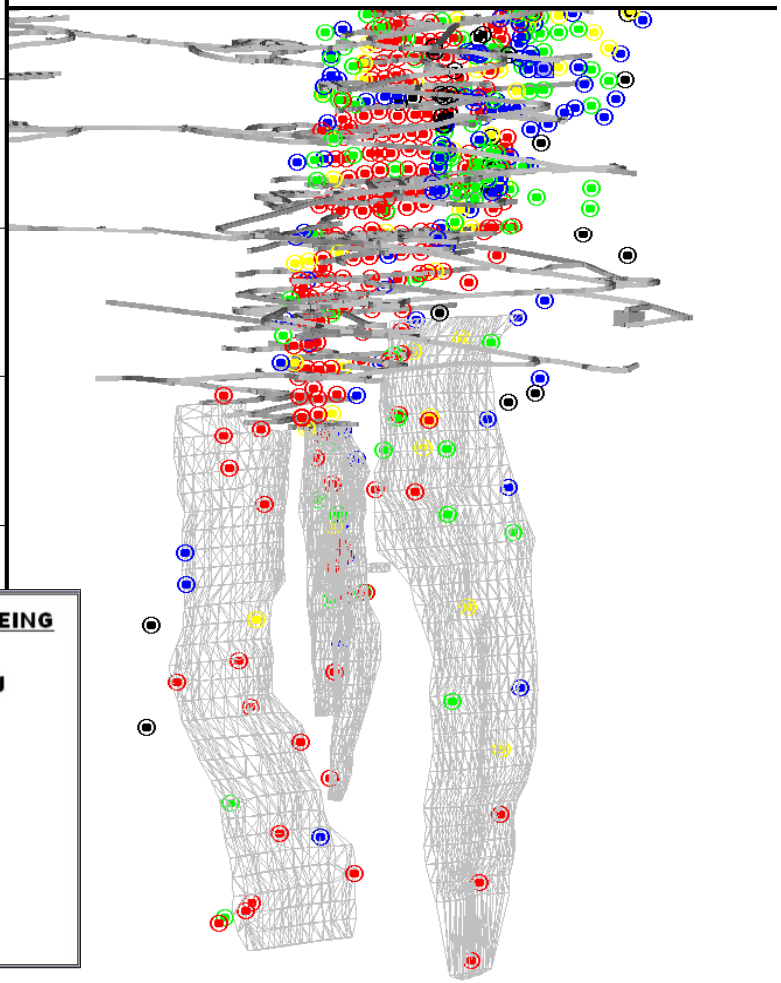






12 months Drilling & Data Reinterpretation Resulted in 61,764 tonne Nickel Resource





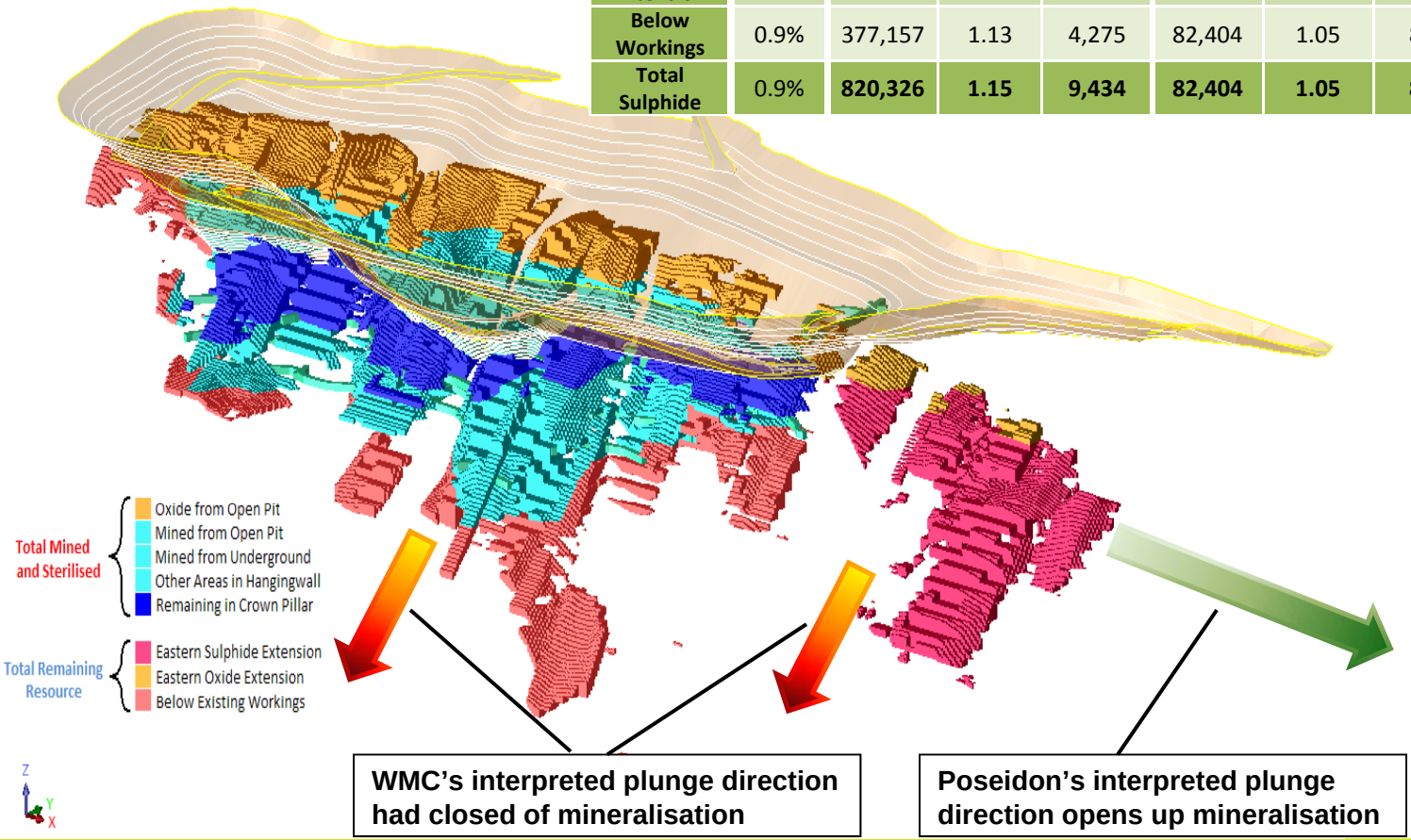
PIERCE POINT CODEING

- Assays Pending
- >5m%
- 3-5m%
- 1-3m%
- 0.5-1m%
- <0.5m%

South Windarra - Detailed Resources

SOUTH WINDARRA RESOURCE STATEMENT

South Windarra Nickel 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
East Extension	0.9%	443,169	1.16	5,159				443,169	1.16	5,159
Below Workings	0.9%	377,157	1.13	4,275	82,404	1.05	864	459,561	1.12	5,139
Total Sulphide	0.9%	**820,326**	**1.15**	**9,434**	**82,404**	**1.05**	**864**	**902,730**	**1.14**	**10,298**



WMC's interpreted plunge direction had closed of mineralisation

Poseidon's interpreted plunge direction opens up mineralisation

Windarra Nickel Project

Exploration Potential

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Geochem and lava channel modelling

Driving the discovery of new resources

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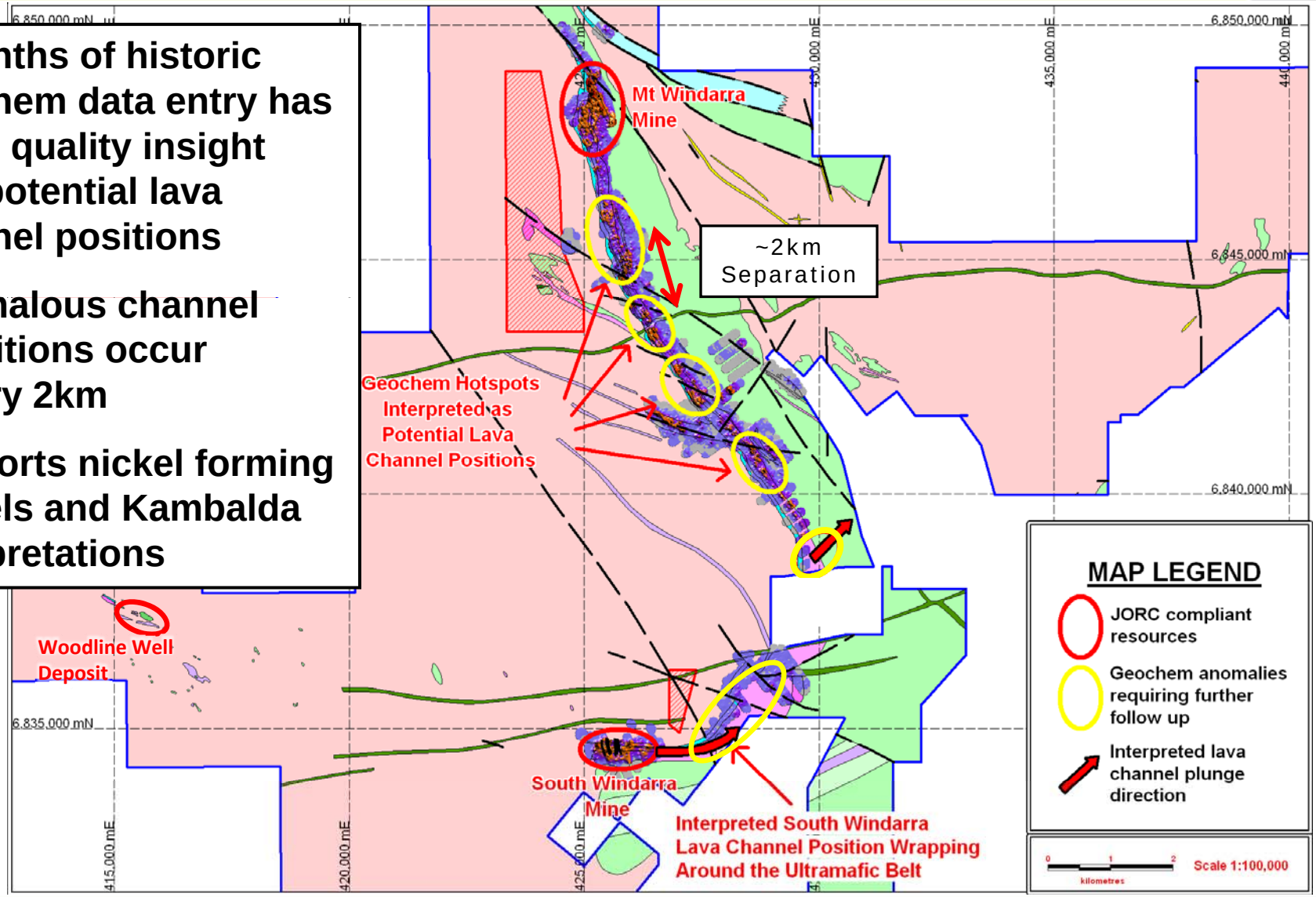
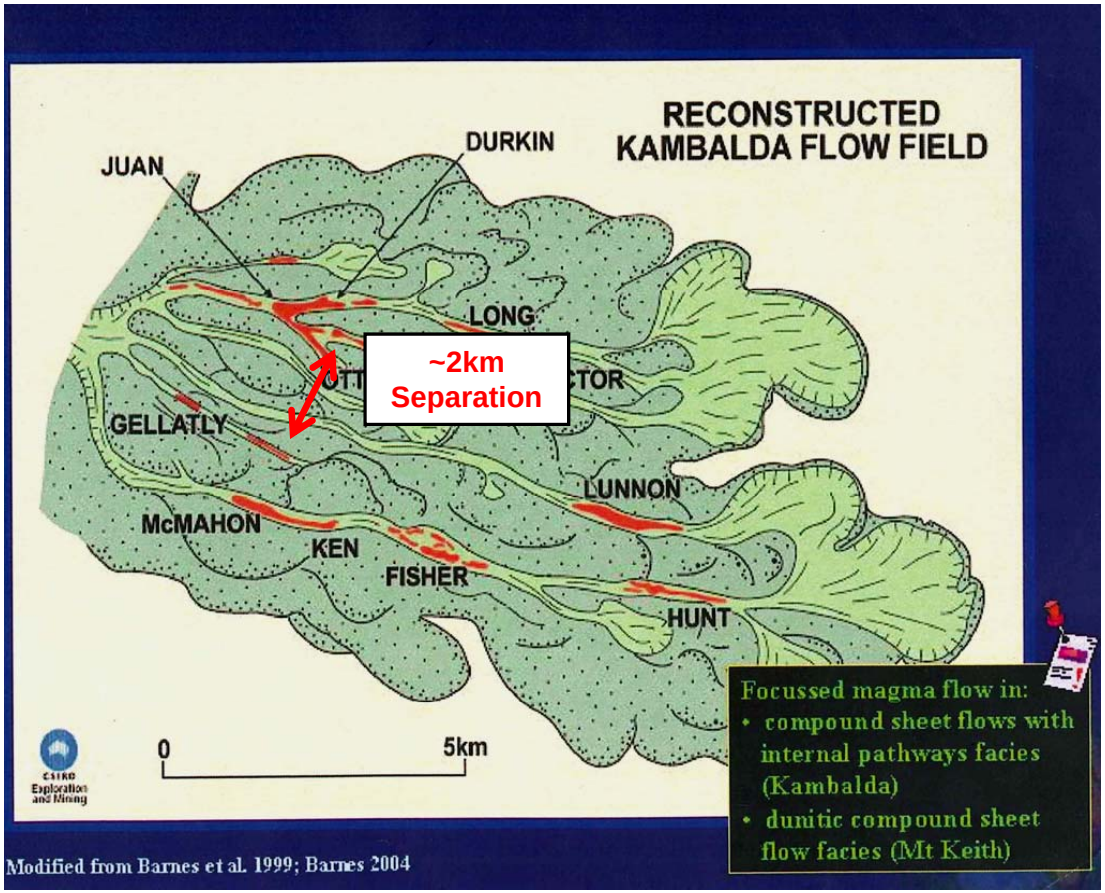
- **6 months of historic geochem data entry has given quality insight into potential lava channel positions**
- **Anomalous channel repetitions occur ~every 2km**
- **Supports nickel forming models and Kambalda interpretations**



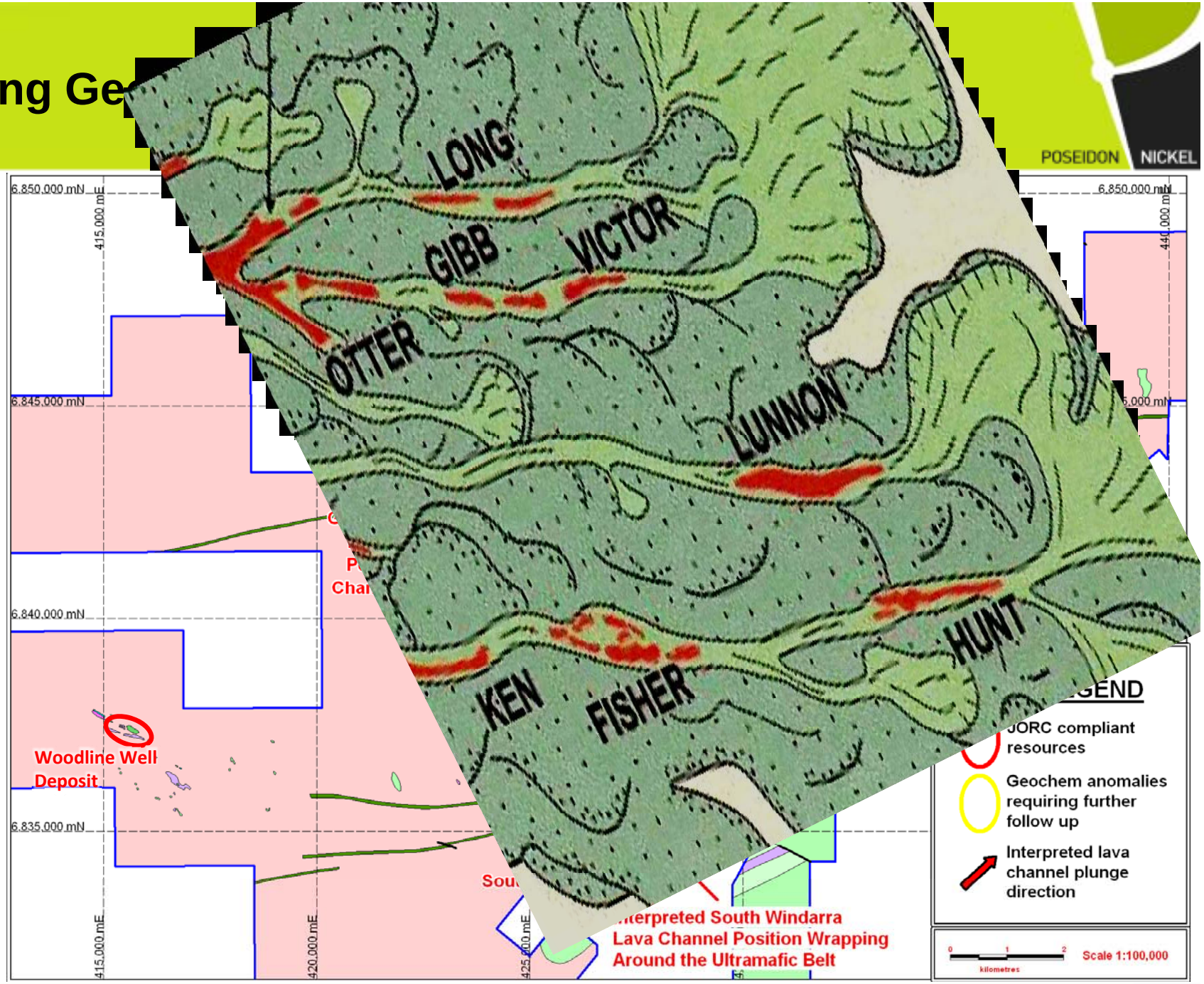
WNP Tenements have Significant Exploration Potential

Kambalda Flow Field : “Cabbage Leaf Model”

- Geological breakthroughs in nickel exploration (@ Cosmos, Kambalda, Forrestania, Silver Swan), are being applied to Windarra
- Recognition of Lava Channels is the **key** to success
- Evidence else where suggests grade increases with depth
  - *Windarra & Cerberus drilling supports similar model*
  - *Surface shoots are commonly the disseminated ore bodies at the start of the Lava Channels*
- Windarra Nickel belt has only 4 deposits to date
  - *Contradicts the Cosmos, Kambalda, Leinster experience*
- **Poseidon believes that more blind deposits are yet to be discovered**



Aligning Ge


LONG
GIBB
VICTOR
OTTER
LUNNON
HUNT
KEN
FISHER
6,850,000 mN
6,845,000 mN
6,840,000 mN
6,835,000 mN
415,000 mE
420,000 mE
425,000 mE
440,000 mE
Woodline Well Deposit
Interpreted South Windarra Lava Channel Position Wrapping Around the Ultramafic Belt
JORC compliant resources
Geochem anomalies requiring further follow up
Interpreted lava channel plunge direction
Scale 1:100,000
kilometres

Cerberus- A Greenfields Discovery

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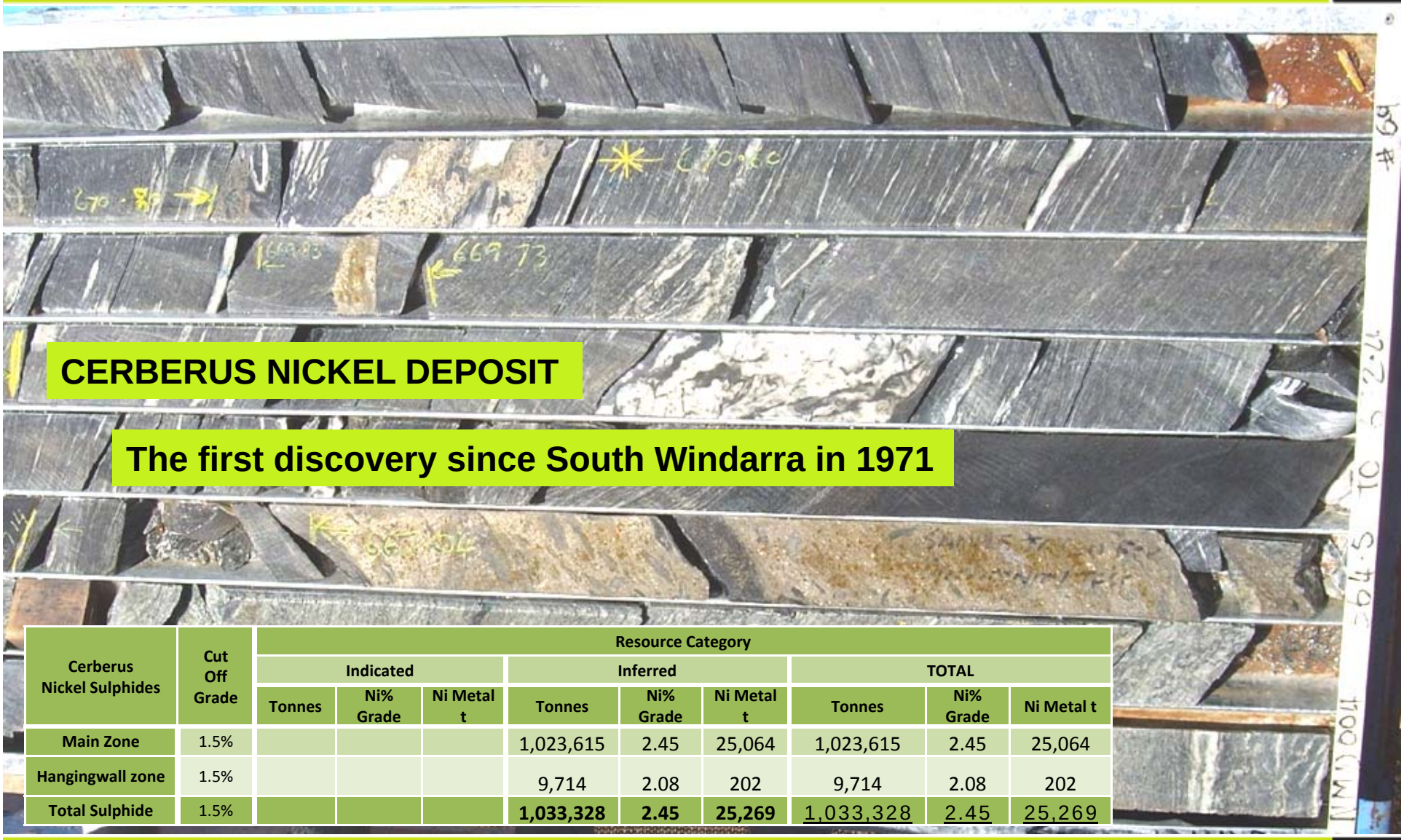


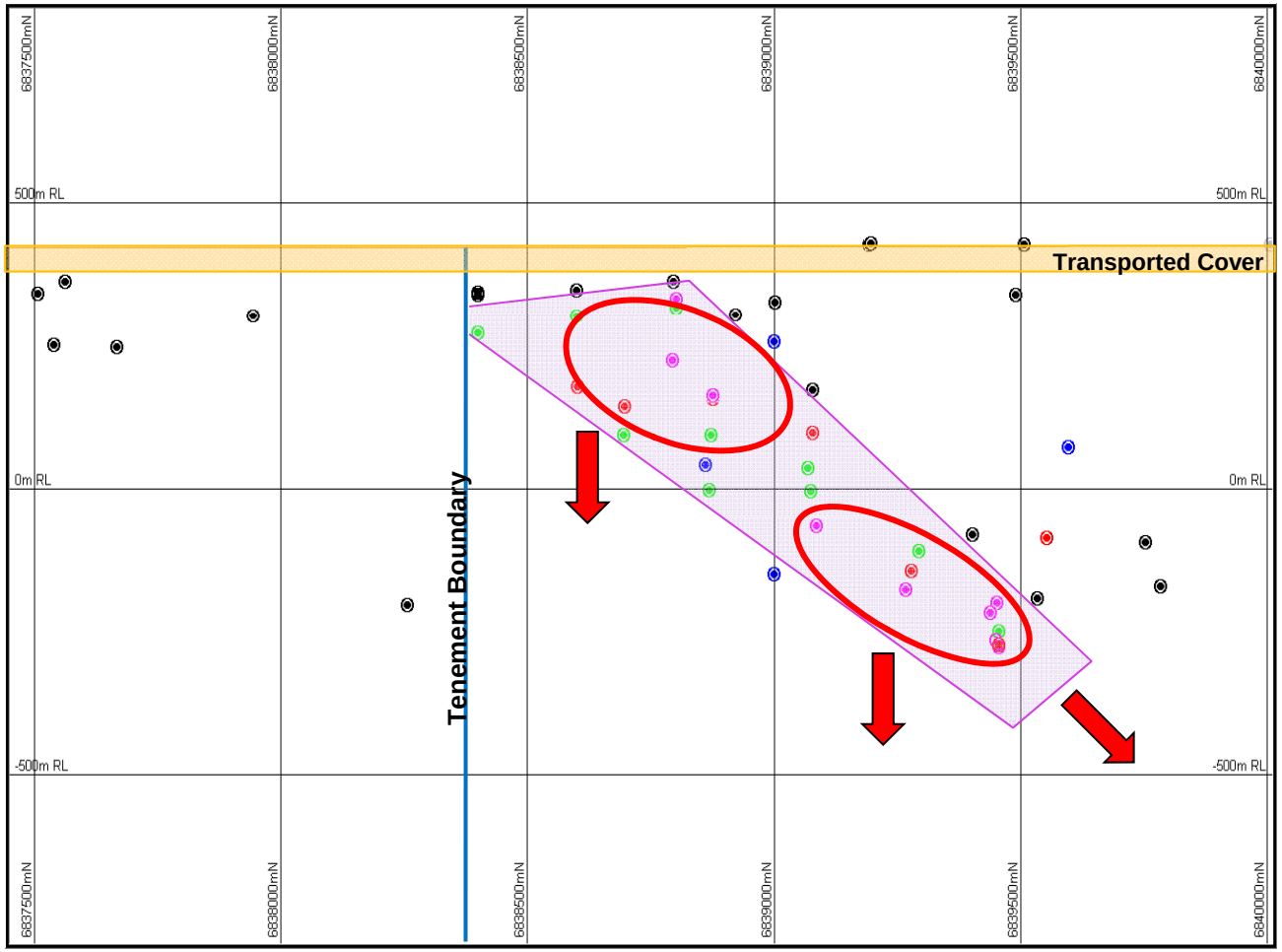
CERBERUS NICKEL DEPOSIT

The first discovery since South Windarra in 1971

Cerberus Nickel 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
Main Zone	1.5%				1,023,615	2.45	25,064	1,023,615	2.45	25,064
Hangingwall zone	1.5%				9,714	2.08	202	9,714	2.08	202
Total Sulphide	1.5%				**1,033,328**	**2.45**	**25,269**	1,033,328	2.45	25,269

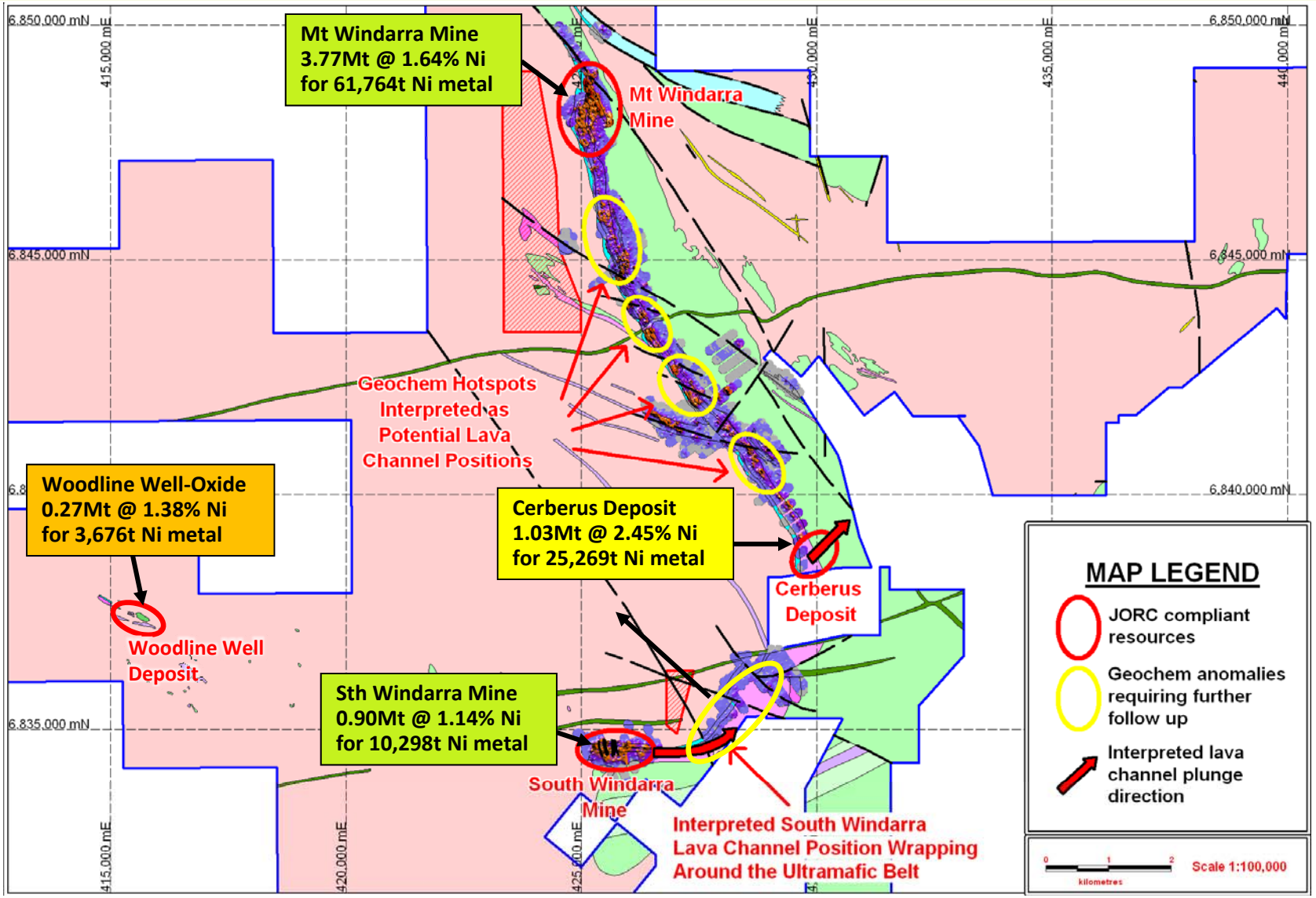
Cerberus Long Section

- Cerberus deposit is higher grade @ 2.45% Ni
- Its open in 3 directions
- 2 higher grade pods exist
- Grade increases with depth
- Drilling is wide spaced & requires infilling
- Potential exists to increase resource size & quality



Windarra Nickel Project

Massive Resources Potential



Windarra Nickel Project

Mine Infrastructure

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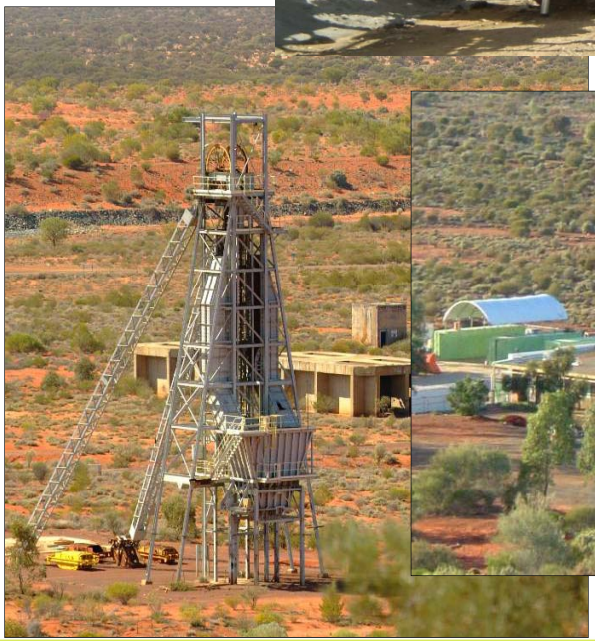
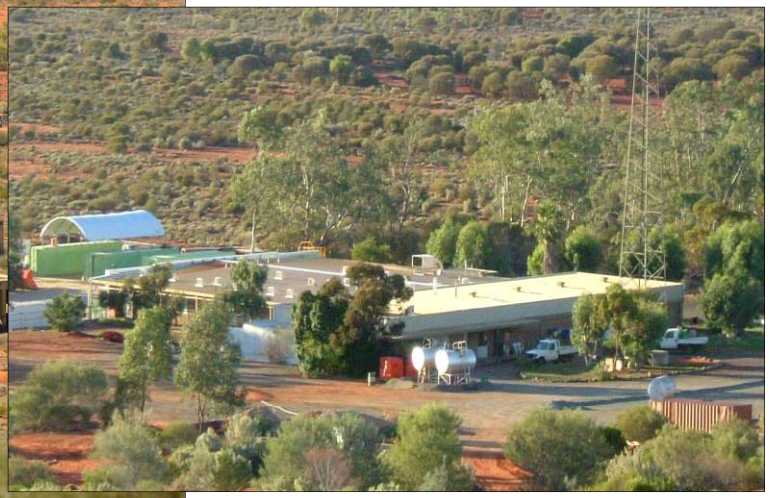
Windarra has most infrastructure in place meaning investment will be focussed on a process plant

- Infrastructure worth at least $50m in place
- Offices and accommodation fully refurbished
- Shaft Winder in place
- Mine Equipment on site
- Tarmac Road to Gate
- Airstrip
- Process Water on site
- Gas Pipeline 40kms





Windarra Site Office provides accommodation and office space for staff

Underground decline at Mt Windarra has been partially refurbished to allow mining to recommence

- All Licences received
- 1.5m tonnes of Water removal underway
- Refurbishment of over 1km of underground now complete
- Ground and steel sets in good condition on main decline
- Refurbishment stopped in Oct 08 as primary objective to offset potential risks met

Refurbishment has eliminated high risk zones and proven decline viability to recommence mining

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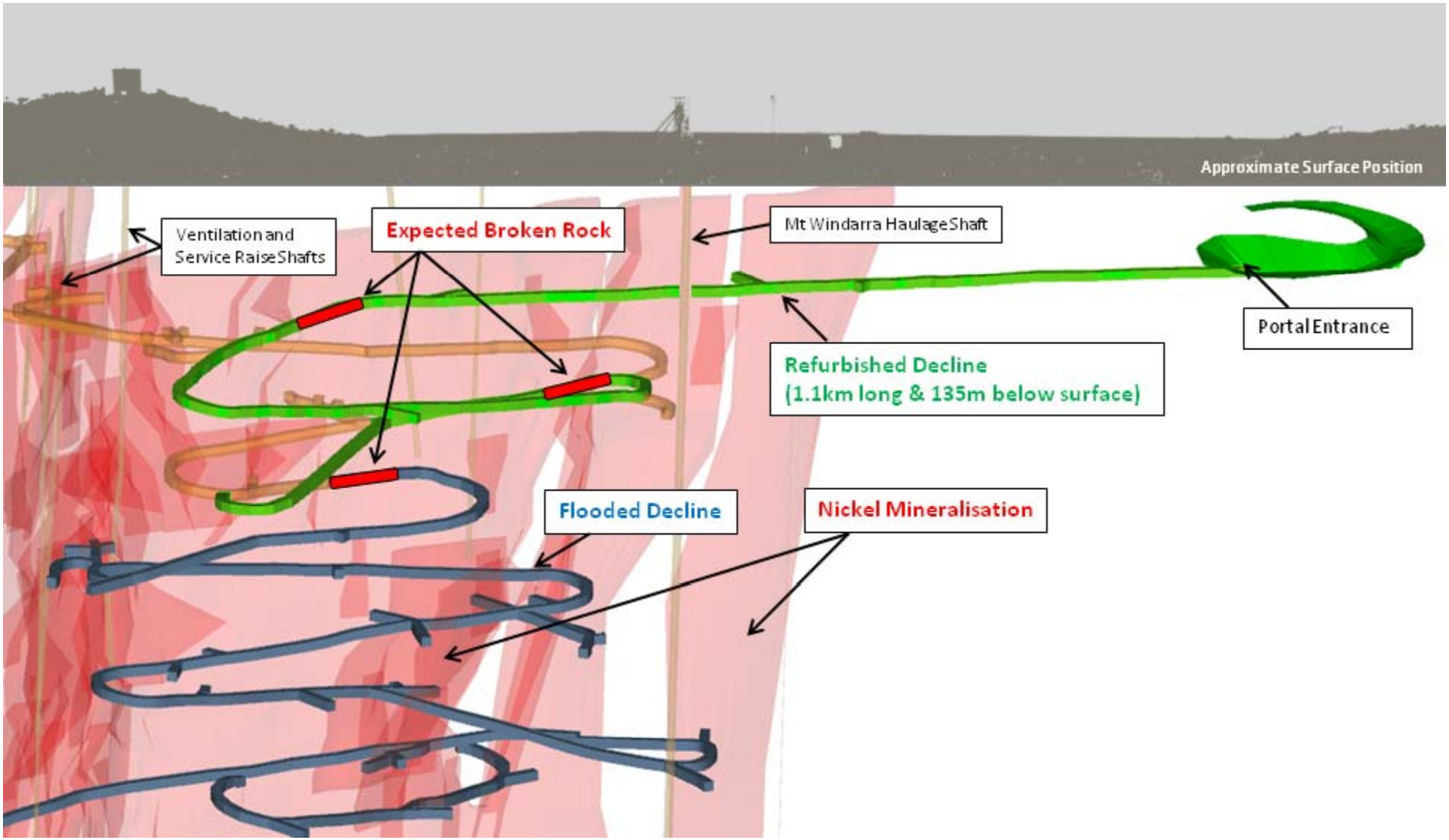
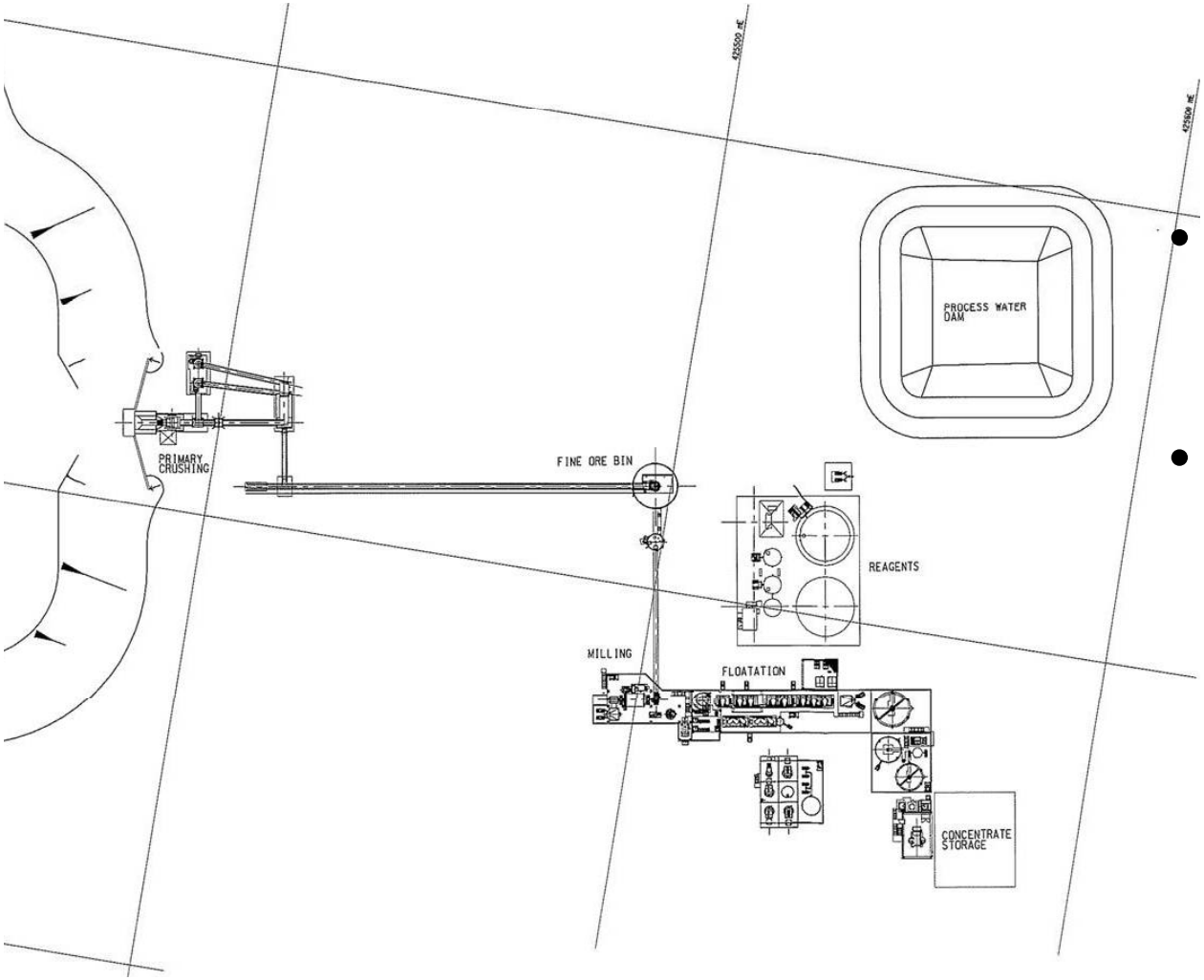


Poseidon has completed the necessary prefeasibility and material test work on the project



- Completed by GR Engineering in 2008
- Original concept was for a one million tonne per annum plant with initial 350,000 tonne per annum capacity

Testwork completed as part of the prefeasibility

Additional metallurgical testing to augment historical practice.

Summary

- **Over 100,000 Ni tonnes of JORC resource in last 2 years**
- **First new discovery since early 70’s**
- **5 follow up discovery opportunities**
- **Feasibility update**

Journey to 100,000 Tonnes of Nickel

Questions?

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