



Windarra Nickel Project

**AIG Base Metals Conference
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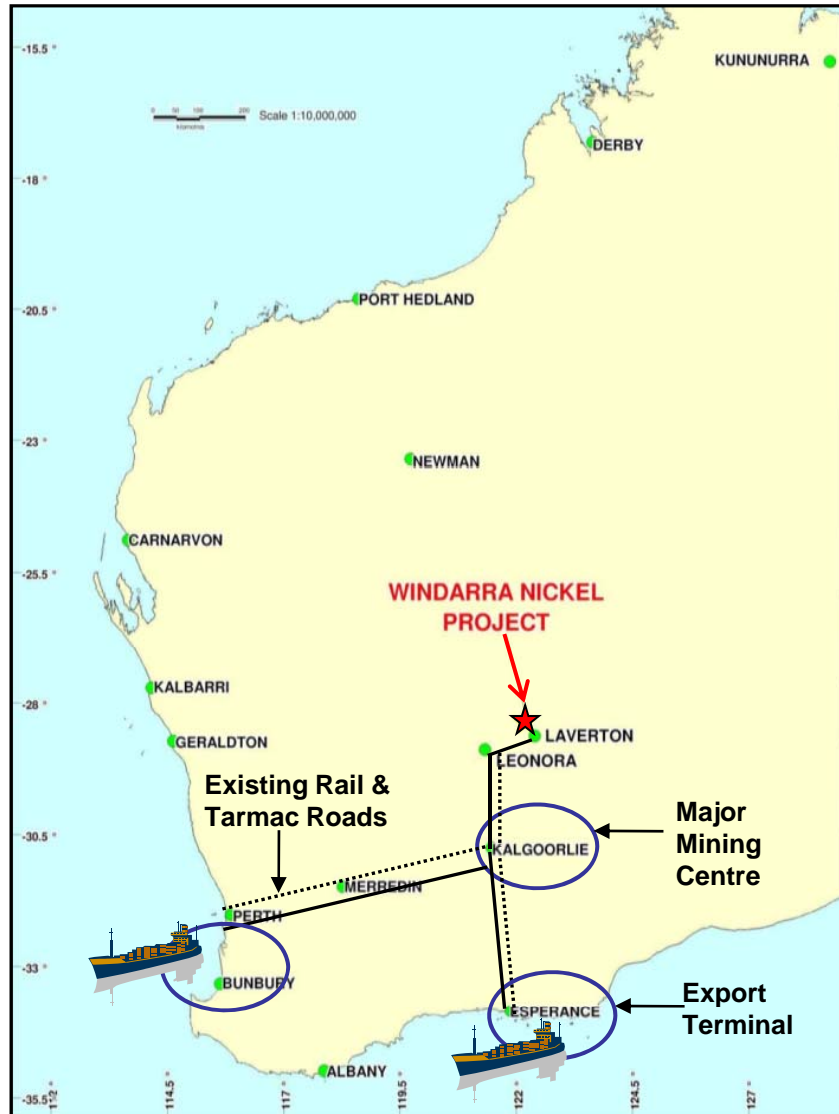
Note: The information in this report relates to Exploration Results and Mineral Resources based on information compiled by Mr N Hutchison who is a Member of The Australian Institute of Geoscientists and Mr I Glacken who is a Fellow of the Australasian Institute of Mining and Metallurgy as well as a full 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.

Windarra Nickel Project

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Introduction

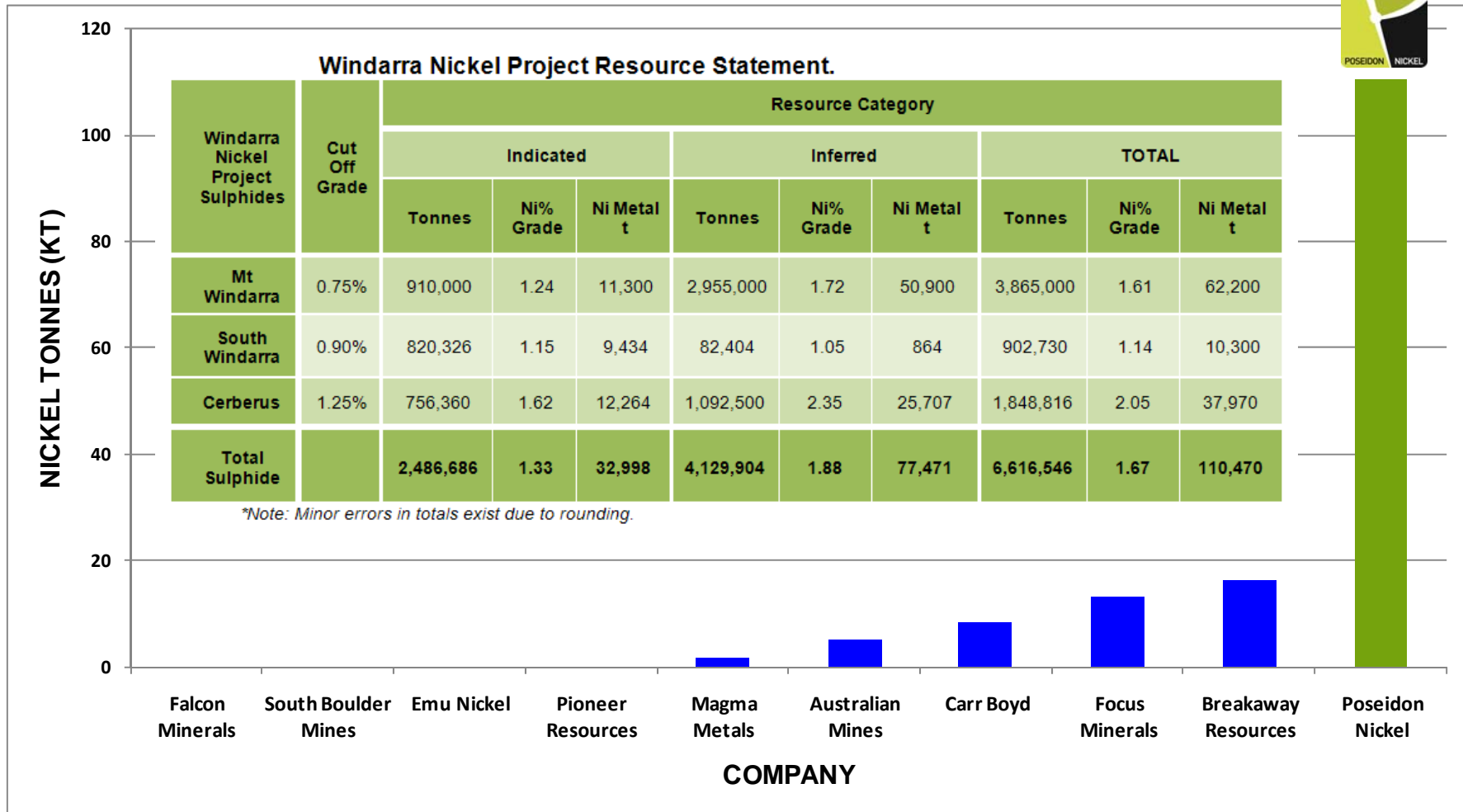
Historically Highly Prospective but Underexplored



- Discovered in the late 1960's & fuelled the 70's Nickel Boom
- One of Western Australia's premier locations for nickel
- Access to Port (Esperance), Rail and Mining support (Kalgoorlie)
- Processed up to 1 million tonnes of ore per annum, producing 129,000 tonnes of nickel metal
- Closed in 1989 with many other local mines due to low historic nickel price of US\$1.70/lb (now US\$10-US\$11/lb)
- During 2000's several mines, very successfully, reopened by new owners which are continuing to expand and operate profitably – Mincor, Panoramic, Western Areas, Independence Group
- Work completed to date by Poseidon includes
 - 110,500 nickel tonne JORC resource definition
 - Cerberus major discovery
 - Feasibility study
 - Infrastructure refurbishment

Poseidon has the Largest Undeveloped Nickel Sulphide Resource in Australia*

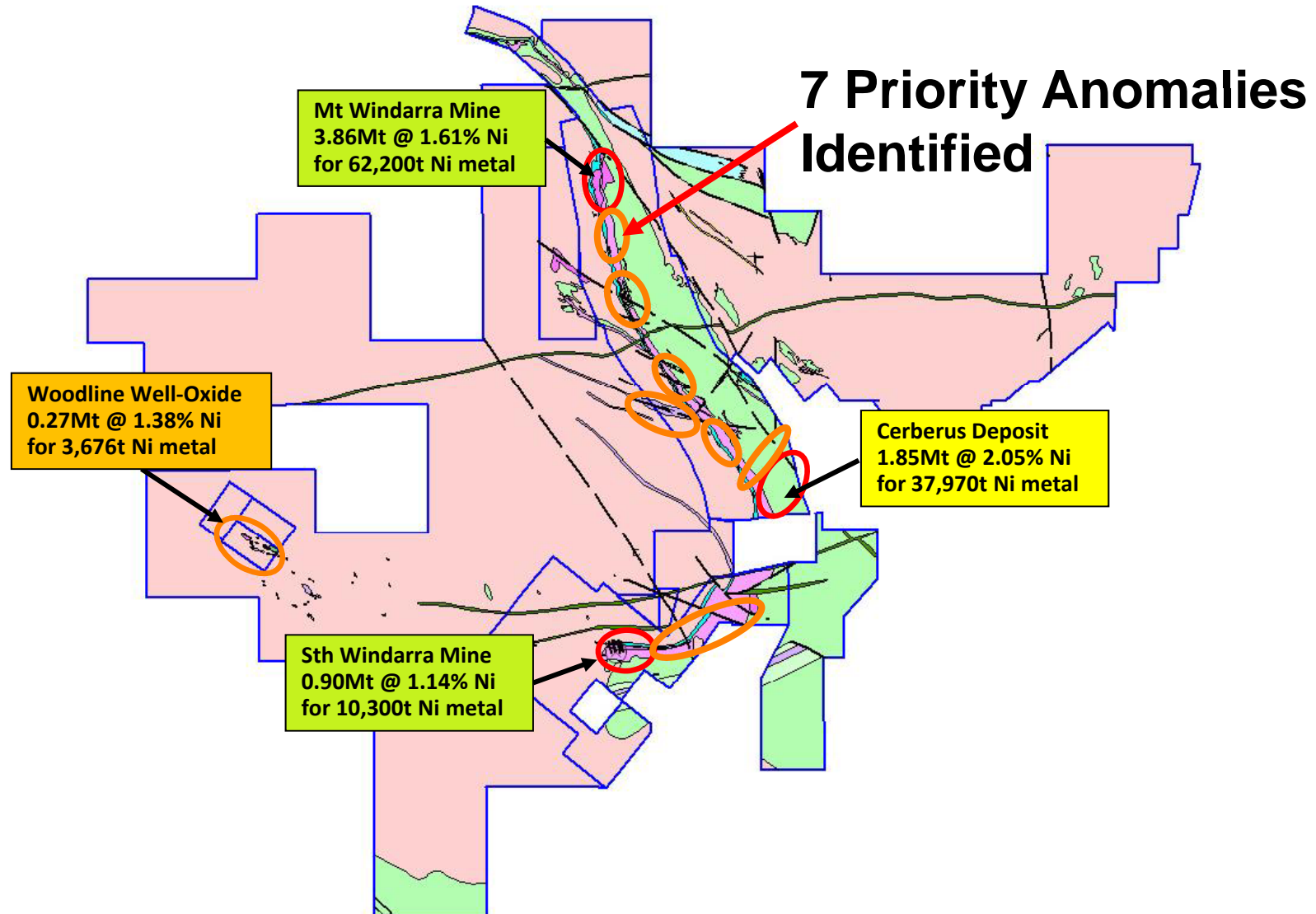
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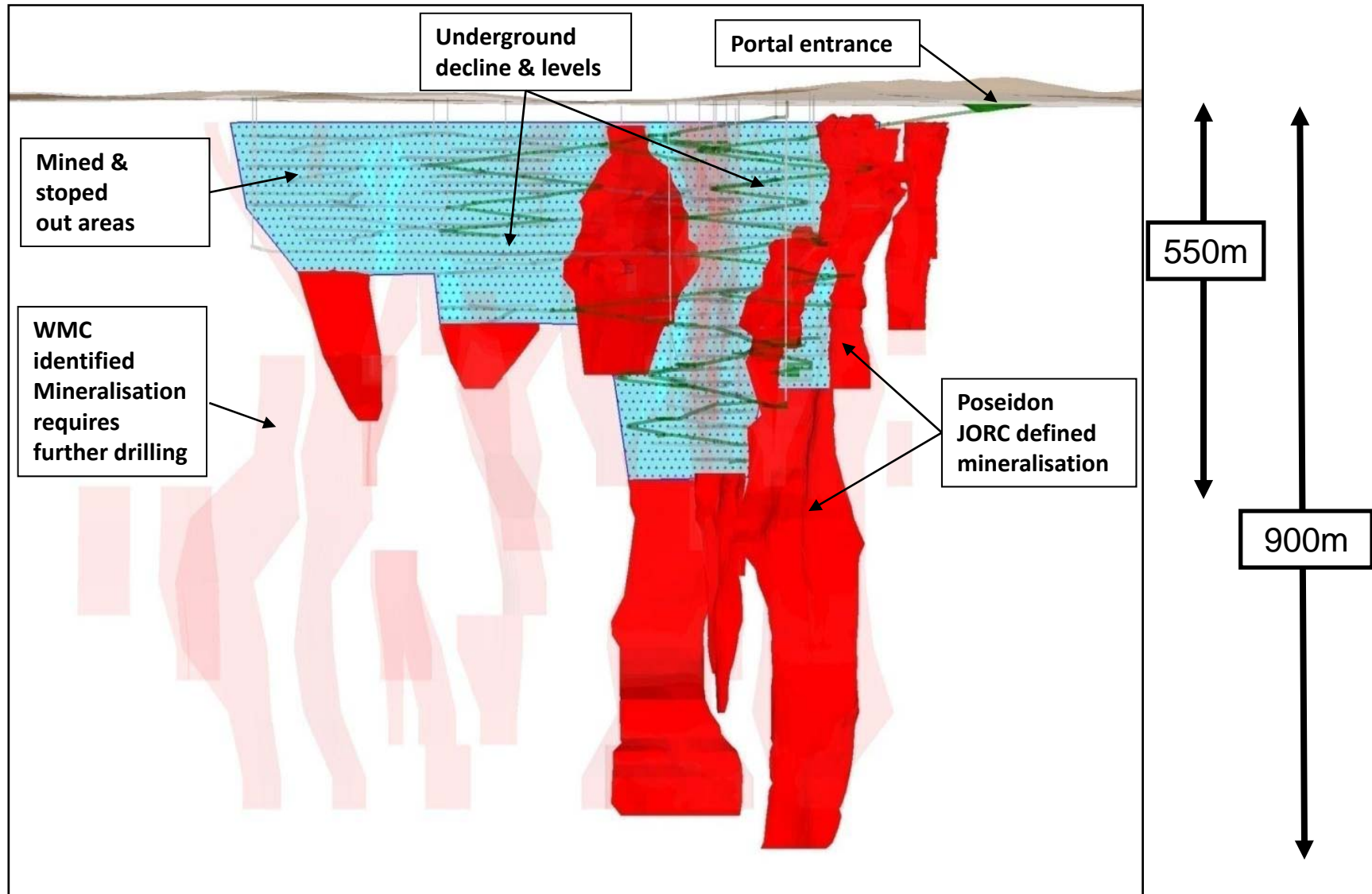
**includes only listed companies classed as nickel developers or explorers with average grades over 0.5% Ni sulphide. Producers excluded. List maybe incomplete.*

Two Mines, One Discovery and Eight Nickel Prospects

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Mt Windarra Mined to 550m with Ore Body Continuity to at Least 900m



Inherited a Huge Drill Database from WMC 6 Months U/G Drilling to get to Reserve

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Ready To Go with \$50m of Built Infrastructure

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ML 2615A

Mt Windarra - Vertical Ore Shaft Headframe to 450m depth



Tailings Ponds and Airstrip



Existing Area
of Disturbance

Proposed
TSF Lift

LEGEND

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

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- Significant JORC resource base – 110kt nickel
 - Mt Windarra: 62,000 tonnes nickel
 - Cerberus: 38,000 tonnes nickel
 - South Windarra: 10,000 tonnes nickel
- 7-10 year mine life at Mt Windarra initially and scope for considerable extension
- 10,000 nickel tonne p.a. target (Phase 1 & Phase 2)
- Low cash cost of circa US\$3.20/lb* at full output
- US\$20m funding in place
- Remaining capex of \$35m for concentrator plant etc
- First concentrate in 24 months
- Offtake and working capital offers received

*10 year average

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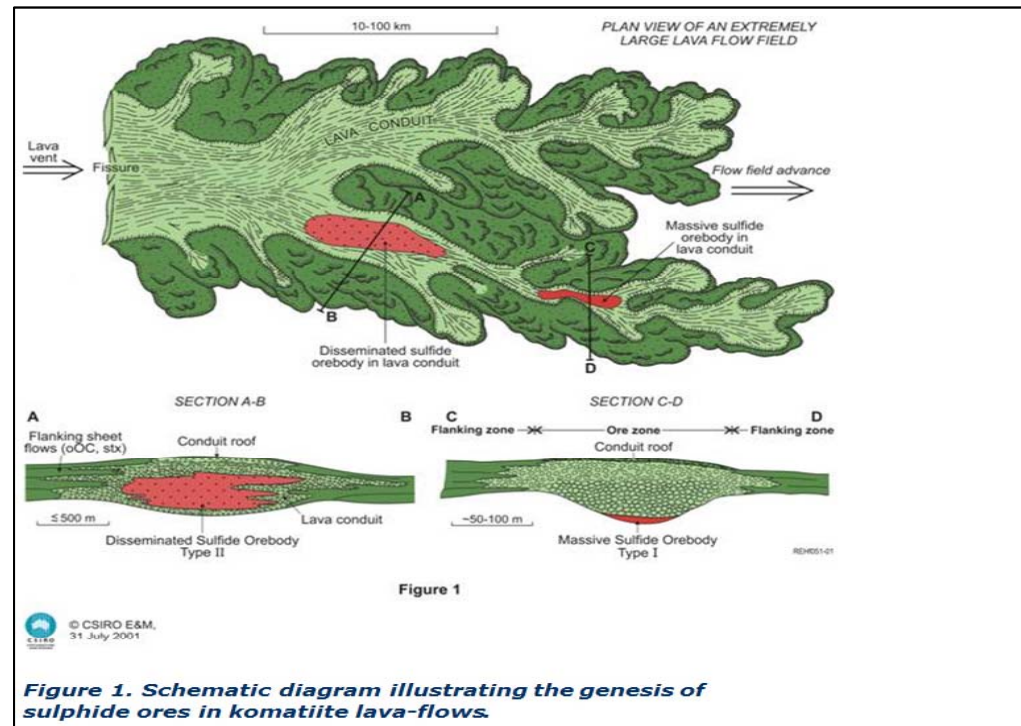
Exploration Model

Ultramafic Lava Flows

Formed by similar processes as modern Hawaiian lava flows



- The “Cabbage Leaf Model” is used to understand the formation of ultramafic flows & nickel sulphide deposition.

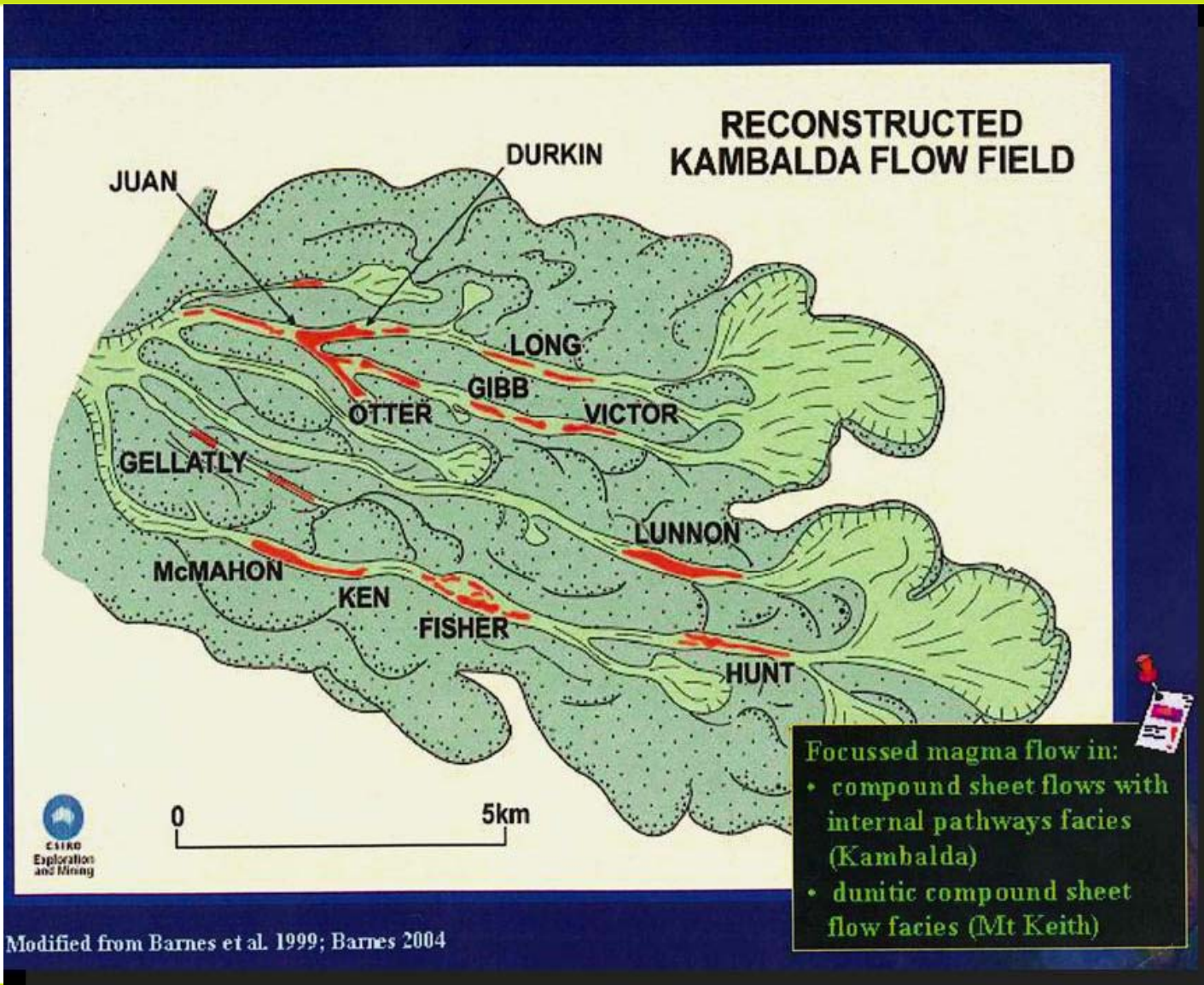


Nickel Deposits Are Like Gravel Roads

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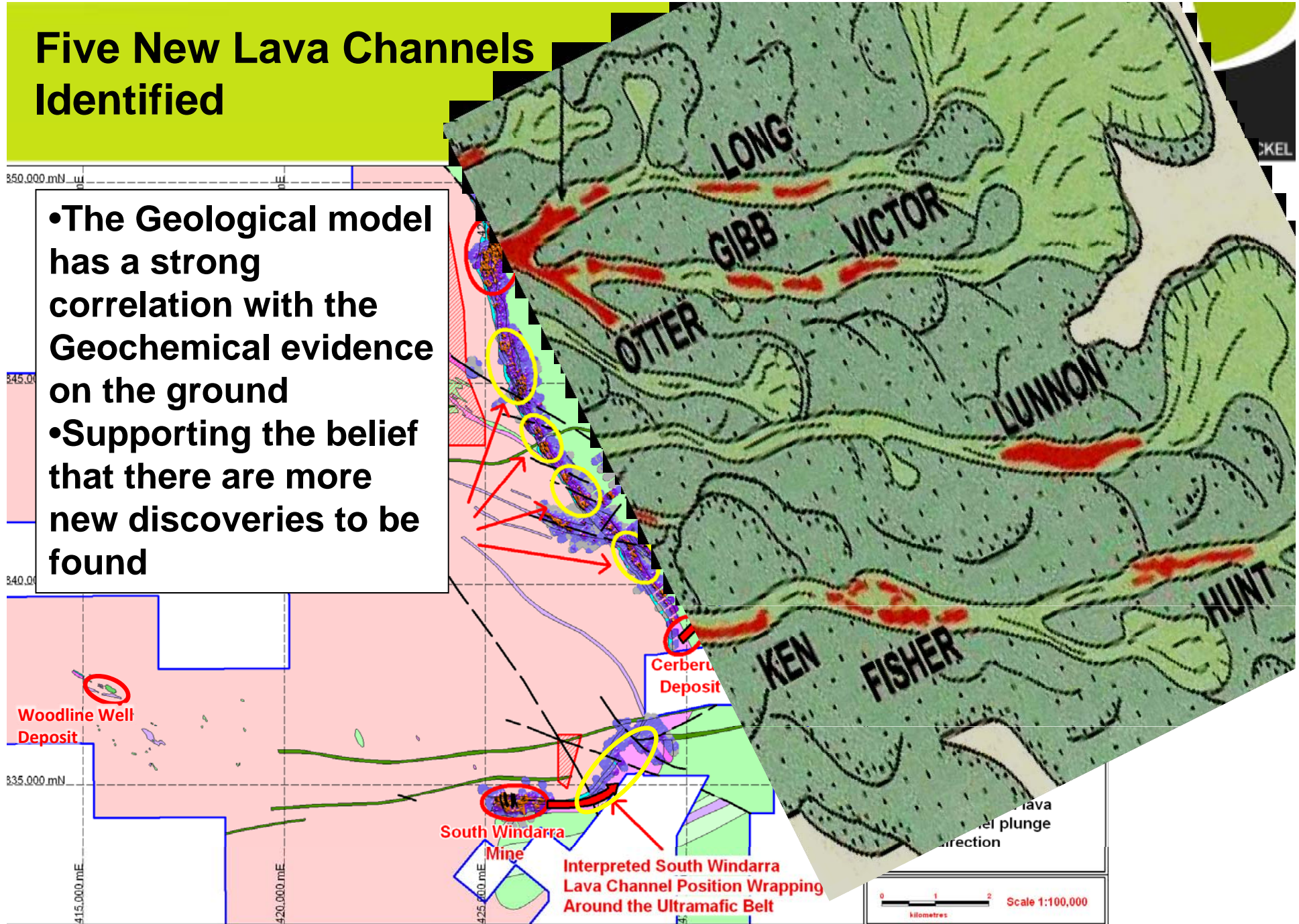


Kambalda Belt Reconstruction



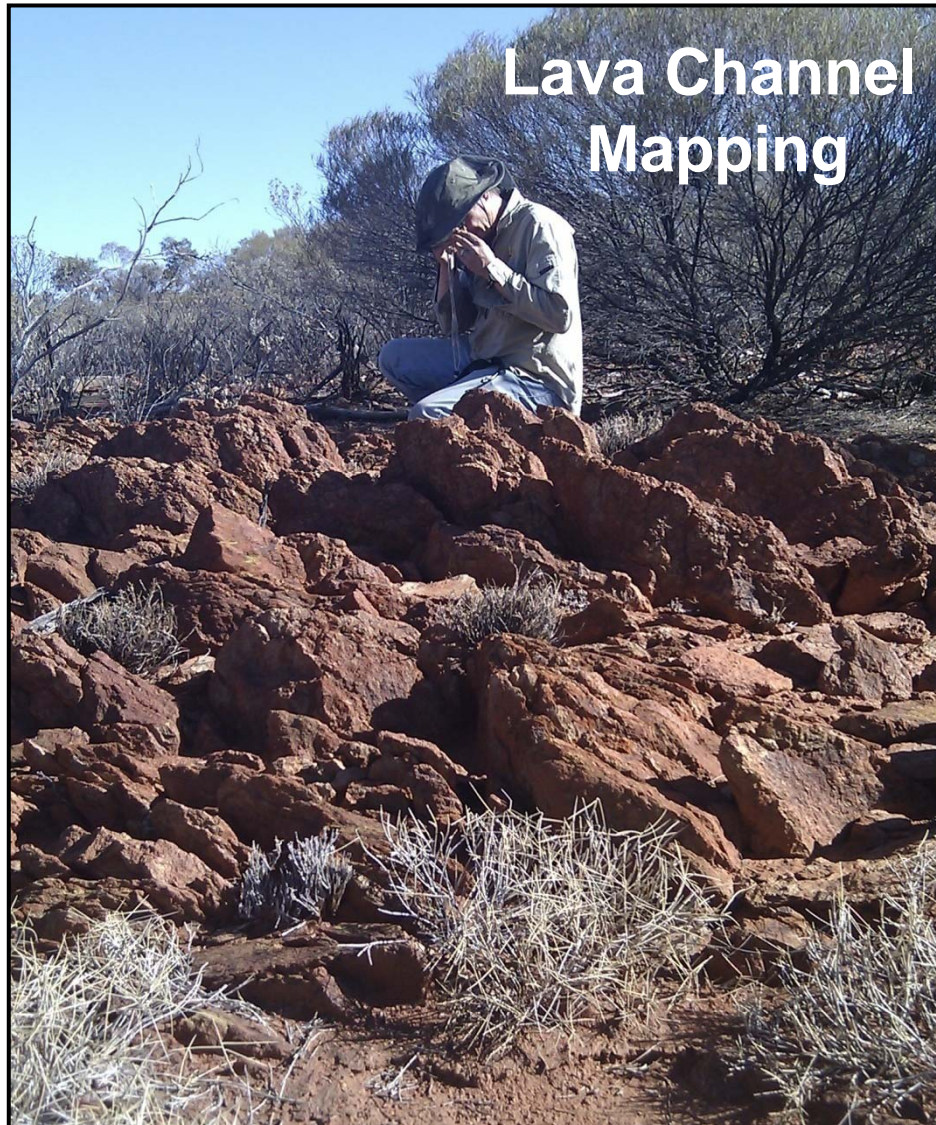
Five New Lava Channels Identified

- The Geological model has a strong correlation with the Geochemical evidence on the ground
- Supporting the belief that there are more new discoveries to be found

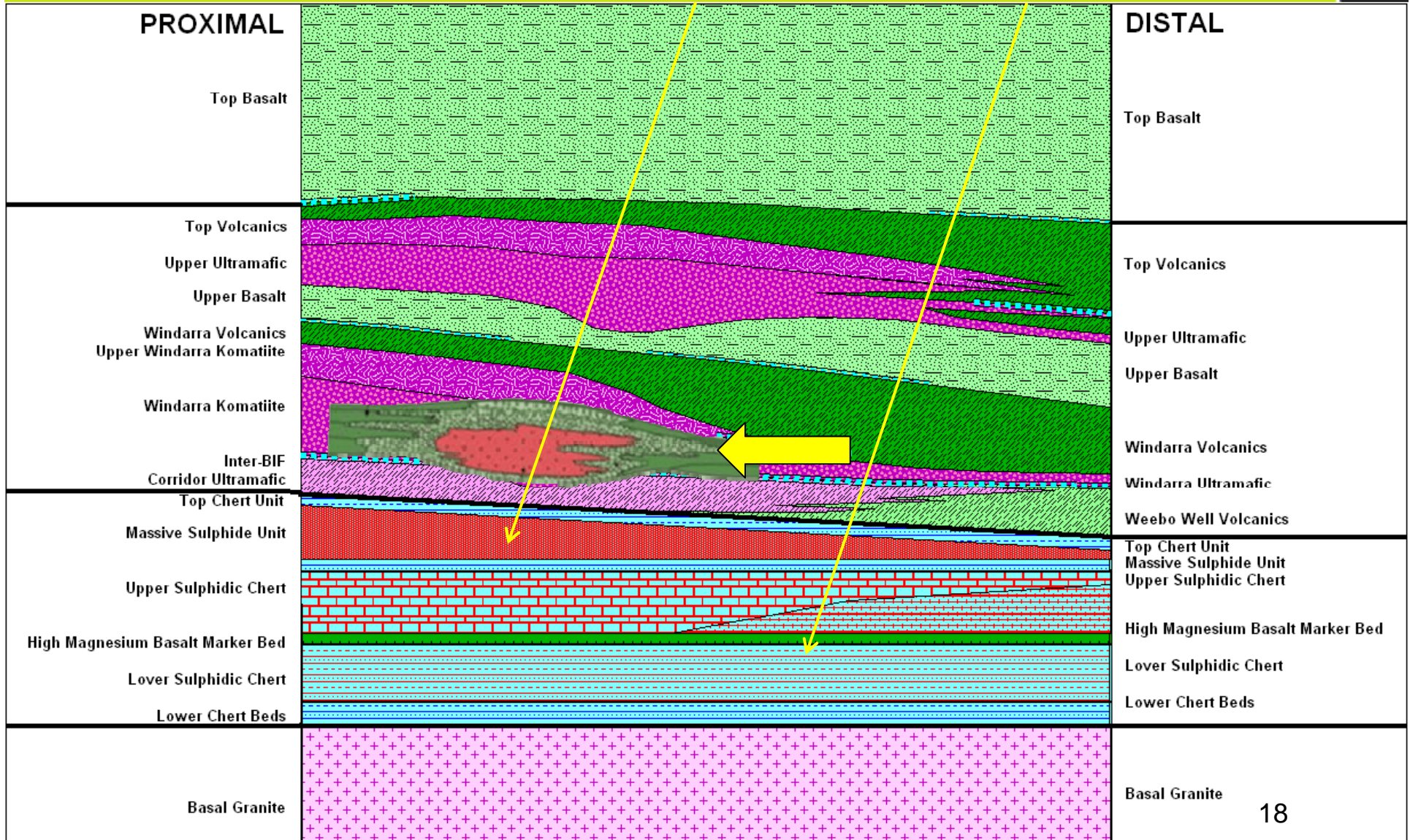


Regional Exploration – Hunting for lava channels

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New Stratigraphic Column



Cerberus- A Greenfields Discovery

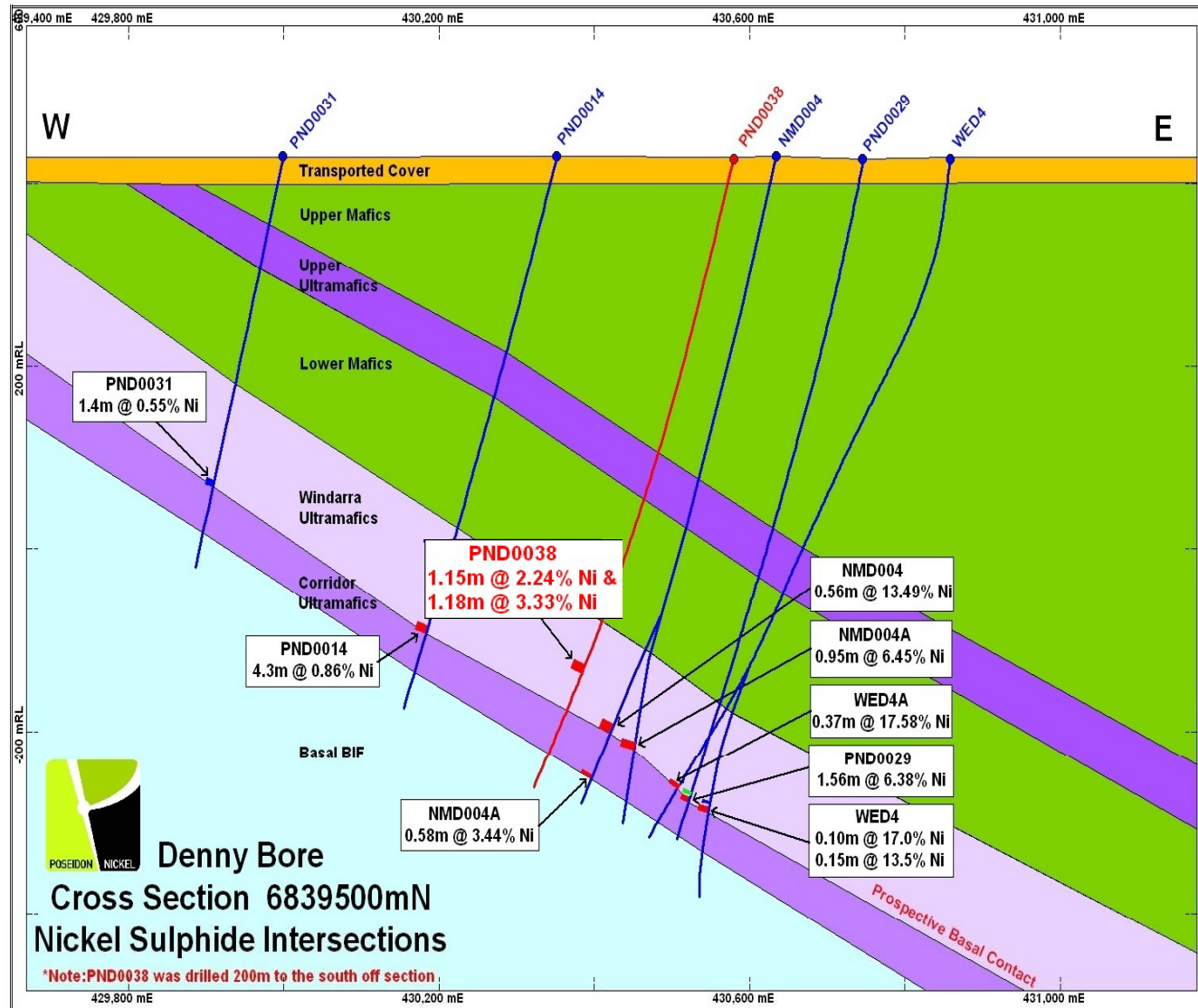
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CERBERUS: The first discovery since South Windarra in 1971

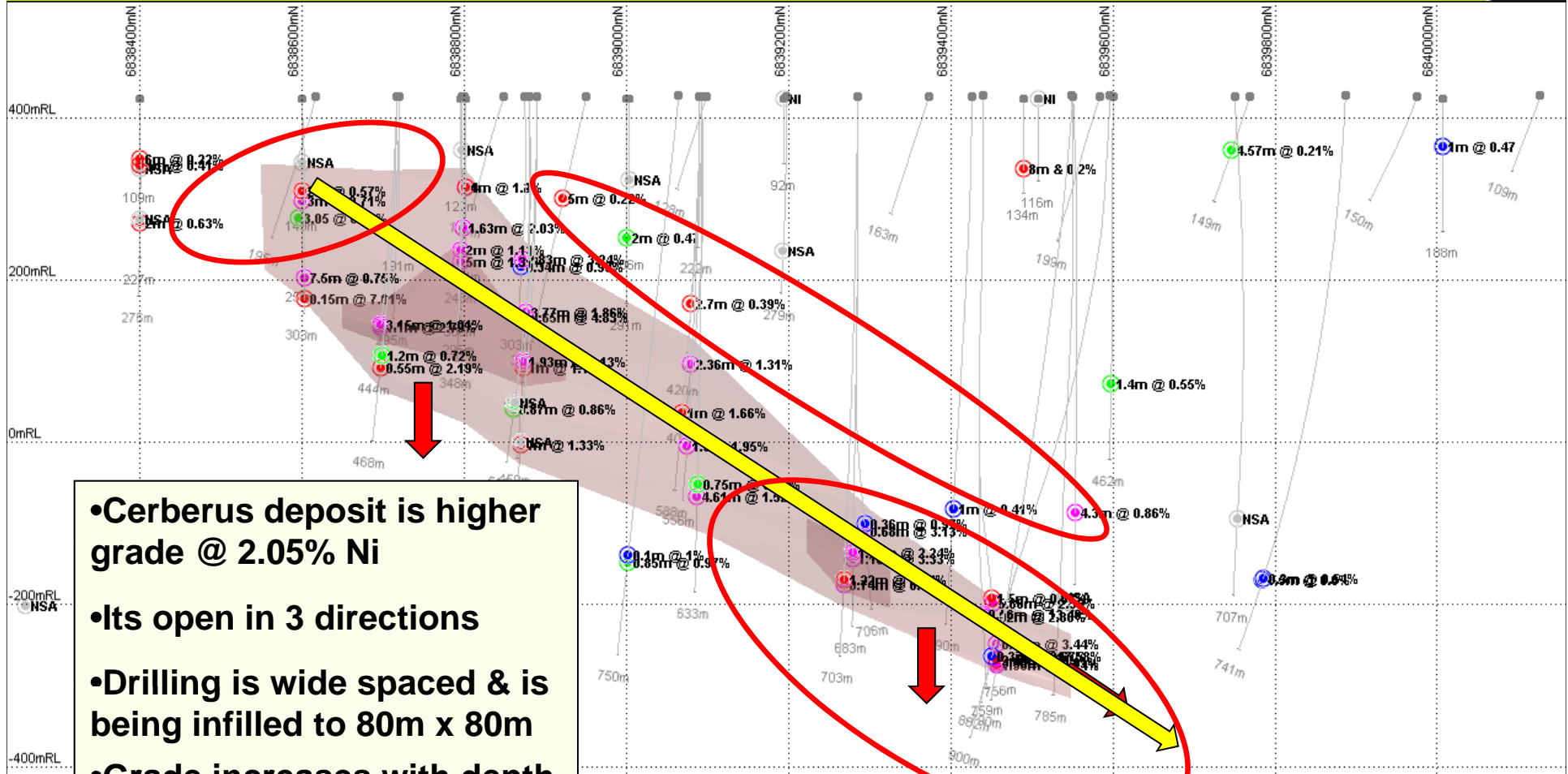
Cerberus Deposit	Cut Off Grade	Resource Category								
		Indicated			Inferred			TOTAL		
		Tonnes	Ni% Grade	Ni Metal t	Tonnes	Ni% Grade	Ni Metal t	Tonnes	Ni% Grade	Ni Metal t
Optimum cut-off grade used	1.25%	756,360	1.62	12,264	1,092,500	2.35	25,707	1,848,816	2.05	37,970

Cerberus- Cross Section



Cerberus-Long Section

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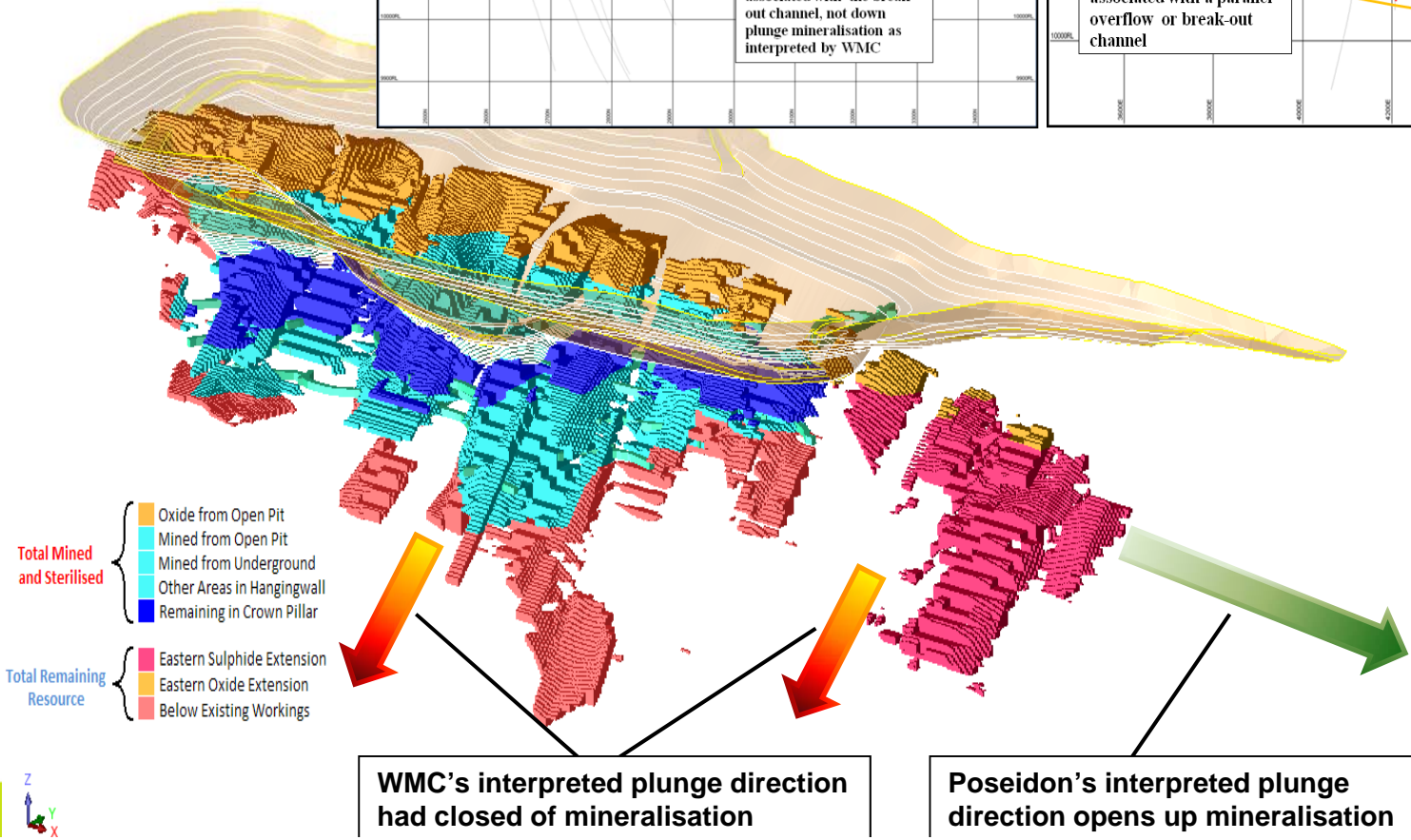
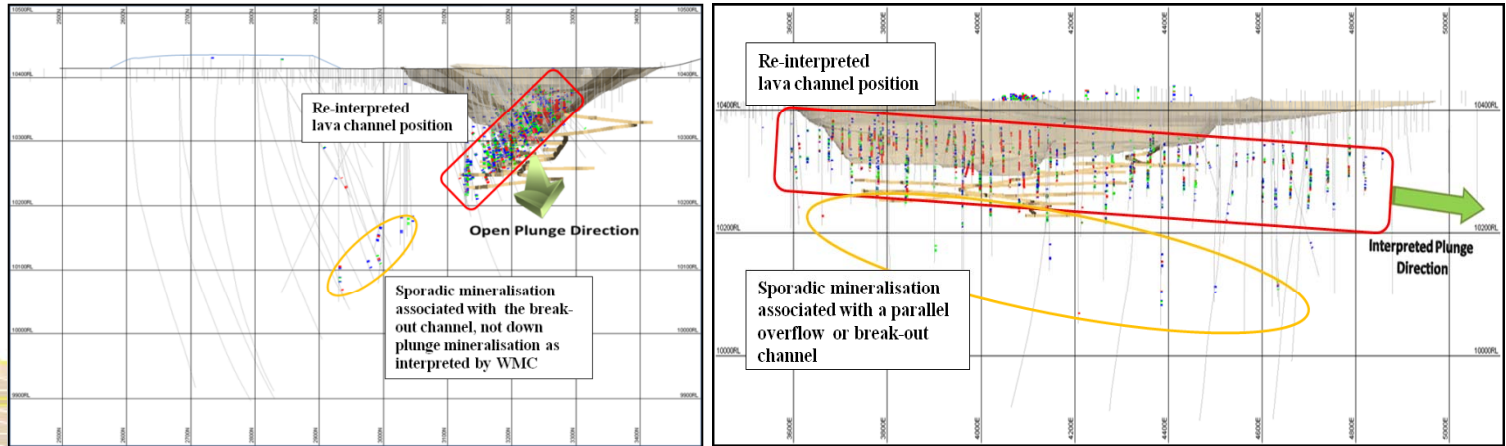
- Cerberus deposit is higher grade @ 2.05% Ni
- Its open in 3 directions
- Drilling is wide spaced & is being infilled to 80m x 80m
- Grade increases with depth
- Potential exists to increase resource size

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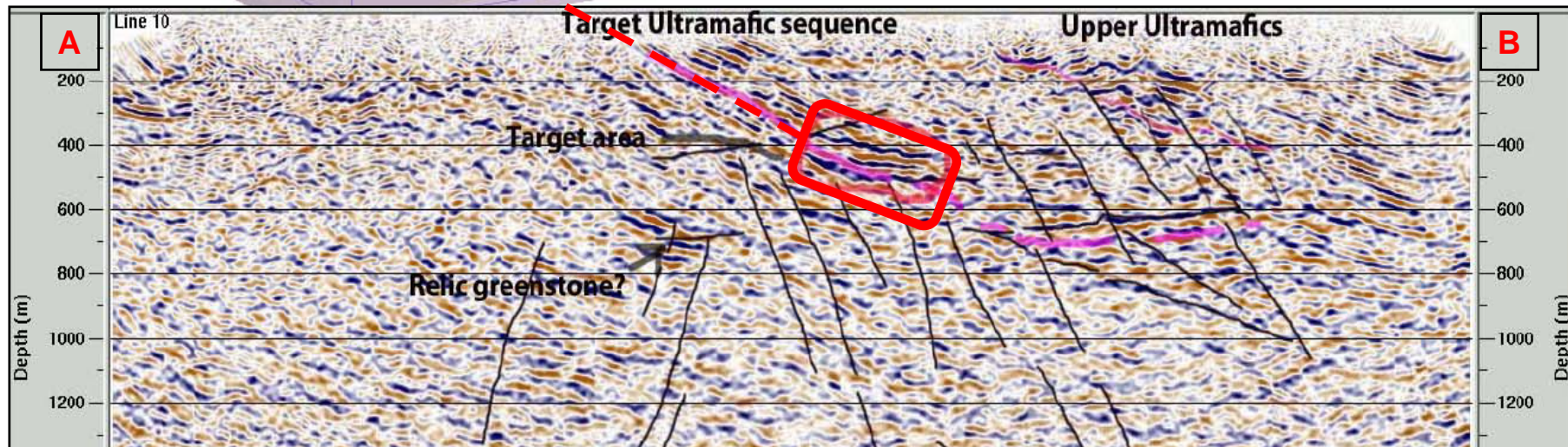
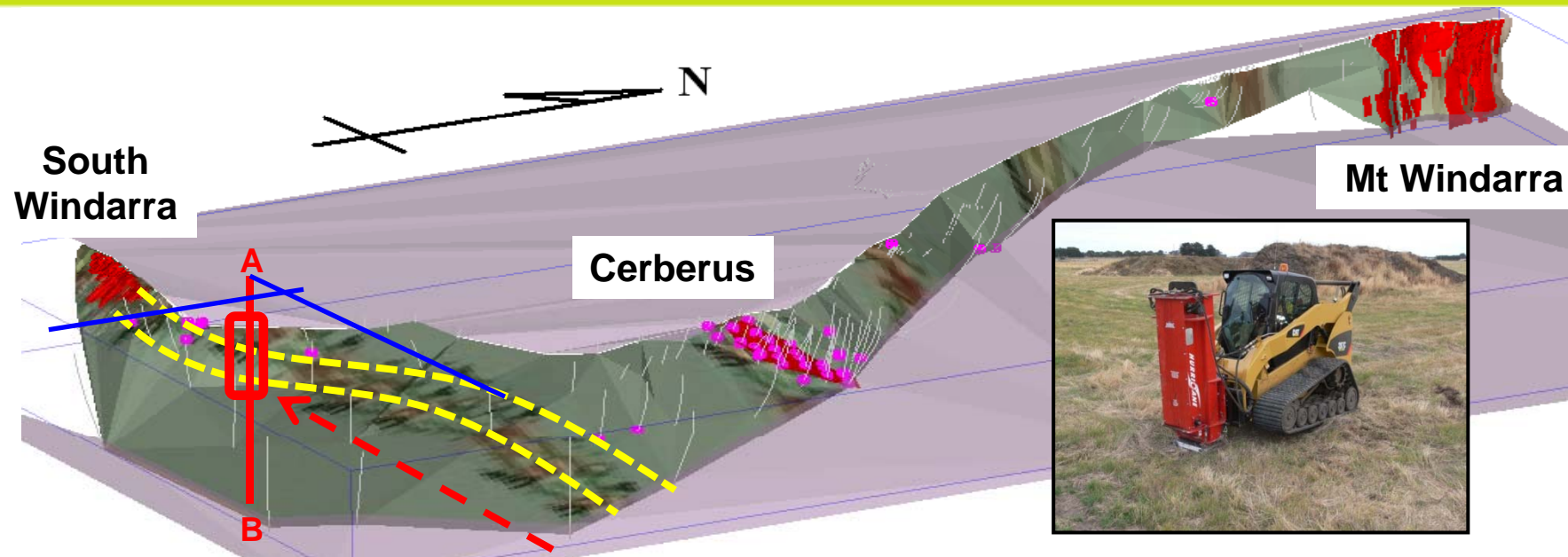
Exploration Potential

South Windarra – Unlocking Potential



2D Seismic Survey Confirming South Windarra Channel Position

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Geological Summary Windarra Nickel Project

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- **24 km strike length of ultramafics, >70kt deposit at each end, + one new 40kt blind discovery in the middle**
- **Kambalda style deposits occur in clusters; more to find**
- **Keeping abreast of latest scientific research & technology**
- **Updated local stratigraphical column leading to better targeted & cost efficient exploration**
- **Advanced geological model is supported by field evidence**
- **Scientific / geological approach to exploration; ownership**
- **Proven success with discovery of Cerberus deposit**



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Acknowledgements:

**Steve Warriner
Chief Geologist**

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