

**HD**      **Poseidon Nickel revises mineral resource at Mt Windarra**  
**WC**      561 words  
**PD**      10 November 2014  
**SN**      Middle East North Africa Financial Network (MENAFN)  
**SC**      MENAFI  
**LA**      English  
**CY**      Copyright 2014. Middle East North Africa Financial Network Inc.  
**LP**  
 (MENAFN - ProactiveInvestors)

[Poseidon Nickel](#) (ASX:POS) has revised the Indicated and Inferred Resource at the Mt Windarra [Nickel](#) Project in Western Australia to the JORC 2012 standard.

**TD**

This is now estimated at 4.36 **million** tonnes at 1.64% [Nickel](#) for 71500 tonnes of contained [Nickel](#) metal using 0.9% cut-off grade.

Shares in the **company** should trade higher today on the news.

In October Poseidon signed a [Nickel](#) off take deal with **mining** major [BHP Billiton](#) (ASX:BHP) for the Mt Windarra project with first **ore** deliveries due no later than February 2015.

The resource update for Mt Windarra follows on the **company** delivering a maiden Probable **Ore** Reserve of 3.37 **million** tonnes at 0.63% [Nickel](#) for 21500 tonnes contained [Nickel](#) for its recently acquired Black Swan project.

The revised estimate for Mt Windarra was carried out by Optiro Pty Ltd which had completed the majority of the prior resource estimates.

Mt Windarra Resource Assumptions and Methodology

The new JORC 2012 estimate used a 166 hole database and mineralisation envelopes constructed by Poseidon.

Optiro ensured that all the mineralisation wireframes were snapped to the drillholes and that all of the mineralisation was captured. It also used information used in previous studies.

Recent drilling undertaken by Poseidon has been analysed for a full suite of multielements providing Optiro with more data for estimation.

Mt Windarra Offtake

Under the [Nickel](#) off take deal with [BHP Billiton](#) **ore** from Mt Windarra will be toll treated at BHP's [Nickel](#) West Leinster concentrator.

[Nickel](#) West will **purchase** all concentrate from the concentrator at an agreed rate for an initial 2 years and renewable for a further 2 years.

The **Ore** Tolling and Concentrate Agreement is for an initial period of 2 years ending in February 2017 with first **ore** deliveries due no later than February 2015 subject to satisfaction of conditions precedent including the parties obtaining necessary regulatory approvals.

[Nickel](#) West has the option to extend the contract term by 1 or 2 contract years. The contract is for a minimum quantity of 350000 tonnes of **ore** per annum and a maximum of 500000 tonnes which can be extended to 700000 tonnes by mutual agreement.

Poseidon will pay a treatment charge to [Nickel West](#) for every tonne of **ore** processed to be offset against payments by [Nickel West](#) for the concentrate produced.

The processing of **ore** at Leinster reduces the costs of commencing **operations** at Windarra to approximately \$11 **million** plus working capital from the previously reported figure of \$290 **million**.

The **company** is well progressed on funding options to support the commencement of **ore** deliveries in the timescales envisaged.

#### Analysis

The updated JORC 2012 Resource for Mt Windarra provides greater certainty for [Poseidon Nickel](#) as it prepares to begin **ore** deliveries in February 2015.

The **company** is already funded for the estimated \$11 **million** required to commence **operations** having recently raised \$30 **million** through an oversubscribed placement priced at \$0.18 per share.

Proactive Investors maintains its 12 month price target for [Poseidon Nickel](#) of \$0.40 - \$0.52.

Proactive Investors Australia is the market leader in producing news articles and research reports on ASX [Small and Mid-cap](#) stocks with distribution in Australia UK North America and **Hong Kong / China**.

CO	wfgaus : Poseidon Nickel Limited   bkhlp : BHP Billiton Ltd   bltpc : BHP Billiton PLC
IN	i211 : Metal Ore Mining   i2114 : Copper Ore/Nickel Ore Mining   ibasicm : Basic Materials/Resources   imet : Mining/Quarrying
NS	ccat : Corporate/Industrial News
RE	austr : Australia   apacz : Asia Pacific   ausnz : Australia/Oceania
PUB	Middle East North Africa Financial Network Inc
AN	Document MENAFI0020141110eaba00006