

Emerging Nickel Producer

WEDA BAY

MINERALS INC.



Peter McLatchie

Managing Director – Weda Bay Minerals Pty Ltd

WEDA BAY
MINERALS INC.

Agenda

Overview
& Corporate

Project
& Economics

Indonesia
& Nickel Laterites

Safe Harbor Statement

Cautionary Statement Regarding Forward-looking Information

Except for historical information, the statements made in this presentation are forward-looking statements involving significant risks and uncertainties. These risks and uncertainties include country risk/political risk related issues, the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other ecological data, fluctuating metal prices, the possibility of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future, and other factors. The Corporation undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.

Investment Highlights

90% Ownership of Halmahera Project

Significant Asset by Size & Quality

Strong Economics

Ideally Located with Cost-effective Logistics

Seeking Joint Venture or Strategic Partnership

Experienced Management Team

Capital Structure

Listing	TSX: WDA (since 1999)
Market Cap	\$140 M
Shares Outstanding	72 M
Free Cash	C\$24 M
Debt	None

Capital Structure

Stock Price

Current	\$2.00
52 Week High	\$2.50
52 Week Low	\$0.27

Options

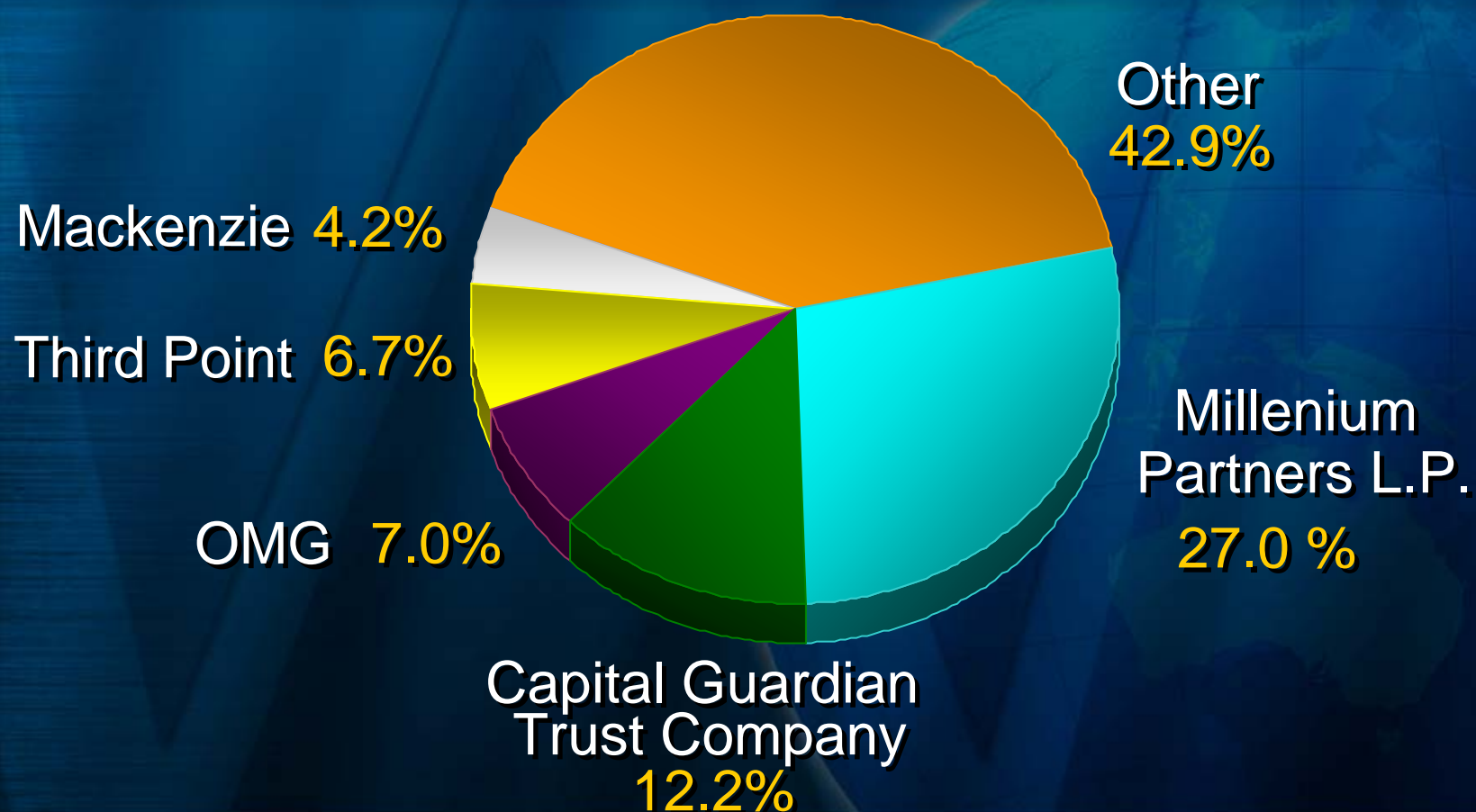
Outstanding	3.6 M
Average Price	\$0.43

Warrants

Outstanding	20.3 M
Average Price	\$1.32

Market Position

High Quality Shareholder Base



Vision

Maximize
Shareholder Value

through
safe, optimal, cost-effective
and sustainable

Development

Business Strategy



Complete Feasibility Study



Expanding Testing & Drilling to Upgrade Resources



Implement Cost Controls During all Project Phases



Seek a Joint Venture or Strategic Partnership

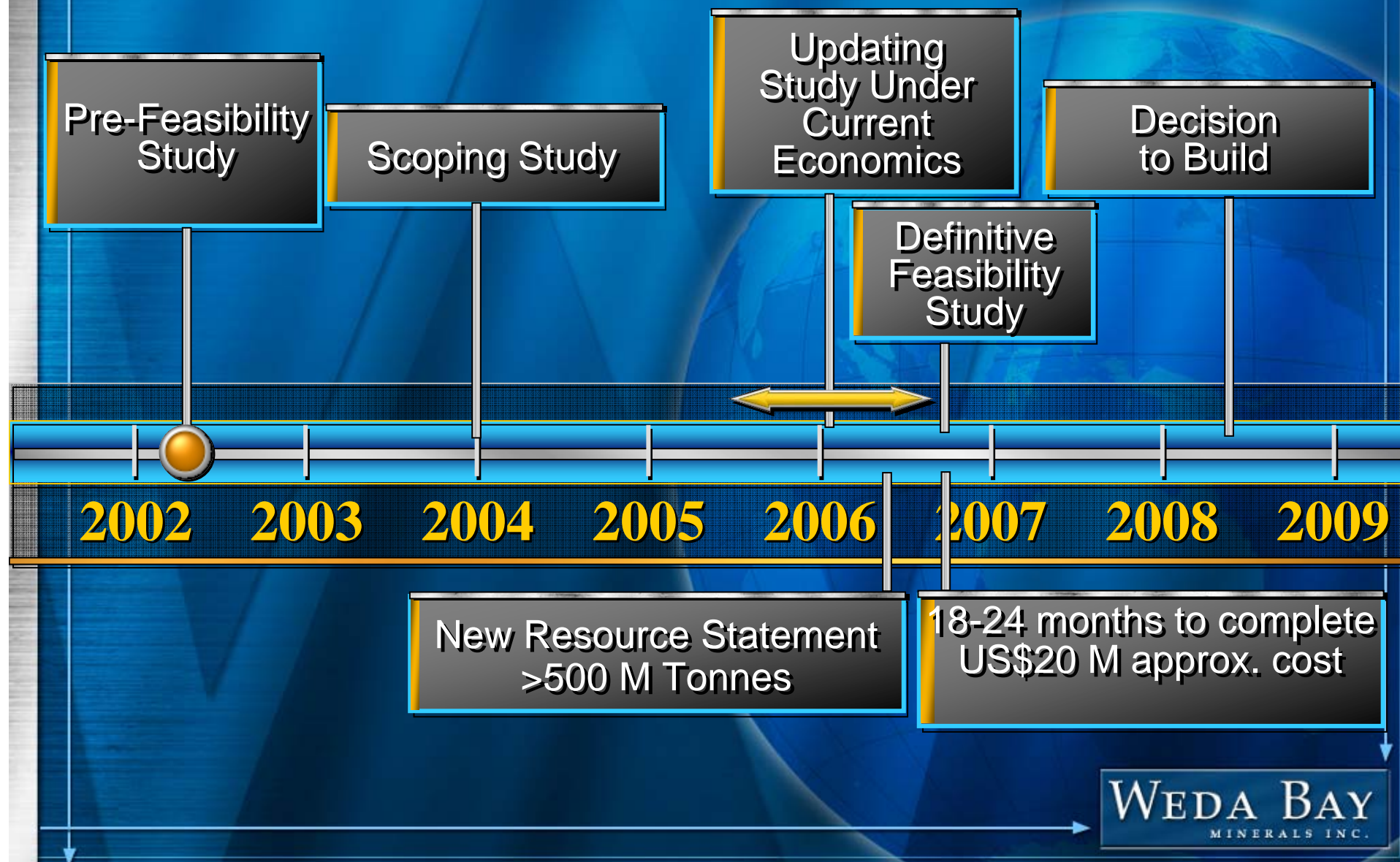
Regional Location



Halmahera Island

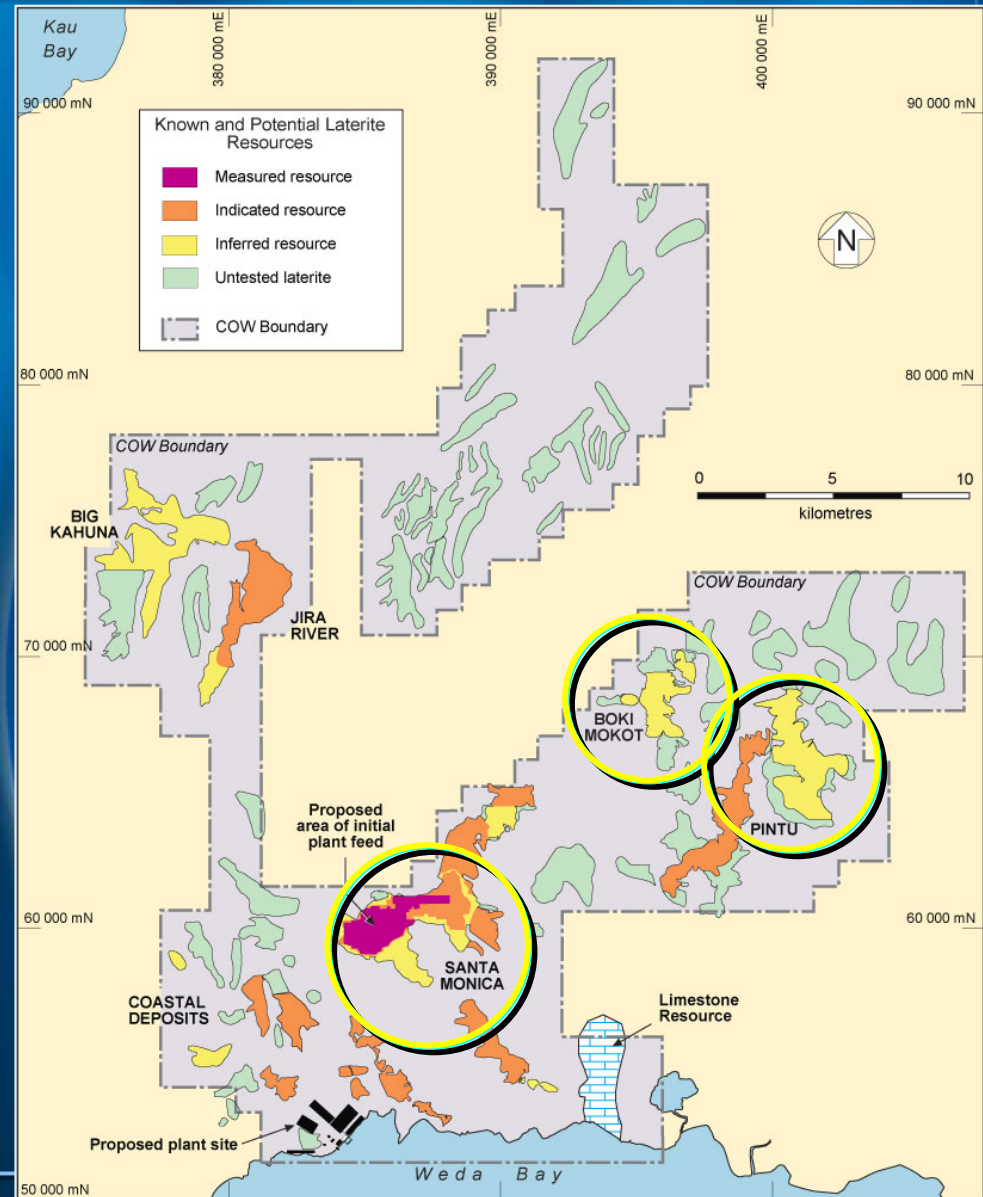


Project Development



Resources

- ▶ Numerous deposits
- ▶ Focus on:
 - ▶ Santa Monica
 - ▶ Pintu
 - ▶ Boki Mokot



Resources

	Mt*	Ni	Co
Measured	16	1.27%	0.18%
Indicated	139	1.47%	0.08%
Inferred	123	1.53%	0.08%
TOTAL	278	1.49%	0.09%

Potential for Over 500 Million Tonnes

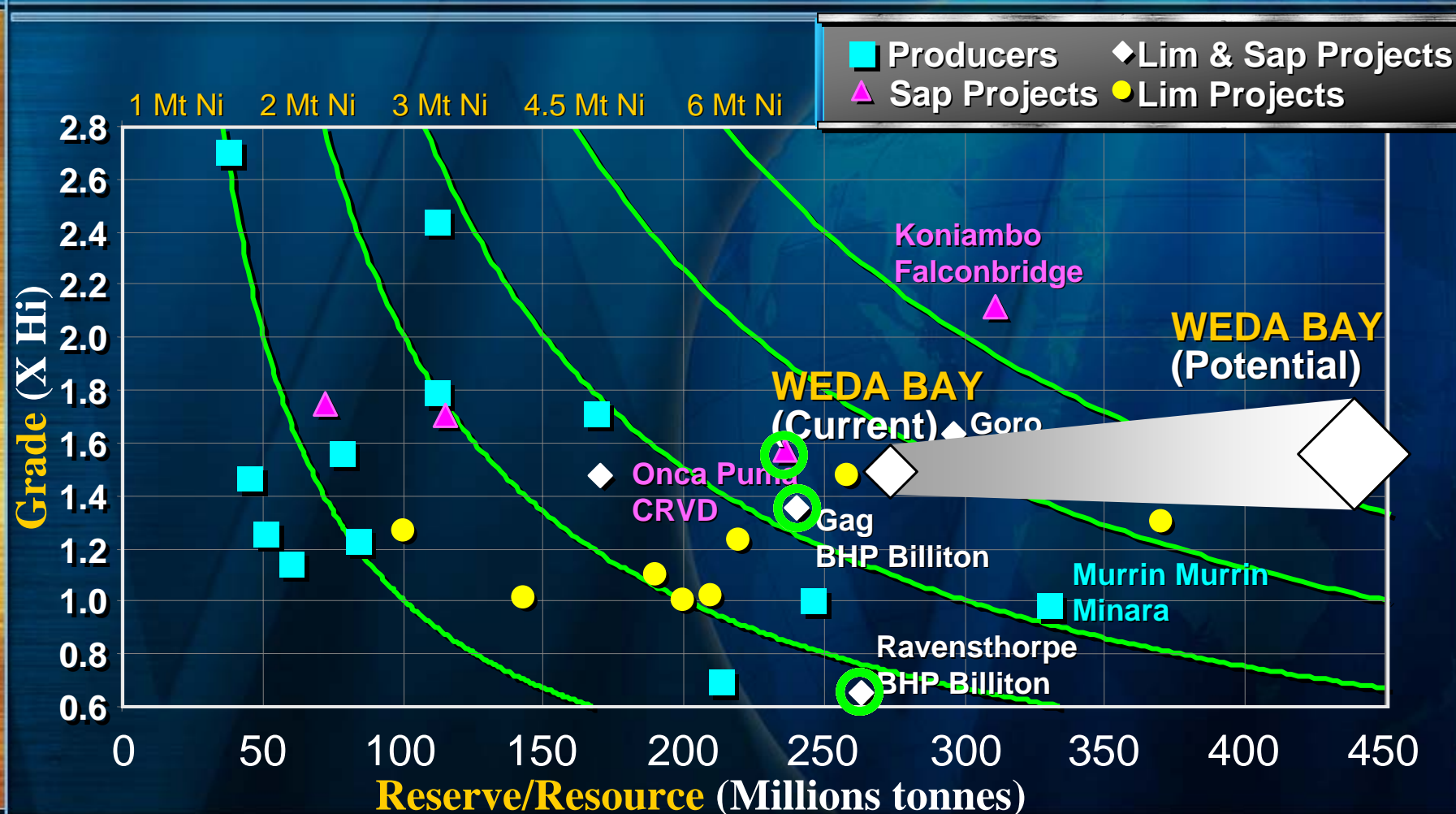
Estimates at cut-off grade of 1.0% nickel

* Million dry tonnes

WEDA BAY
MINERALS INC.

Global Laterite Projects

Resources vs. Ni Grade



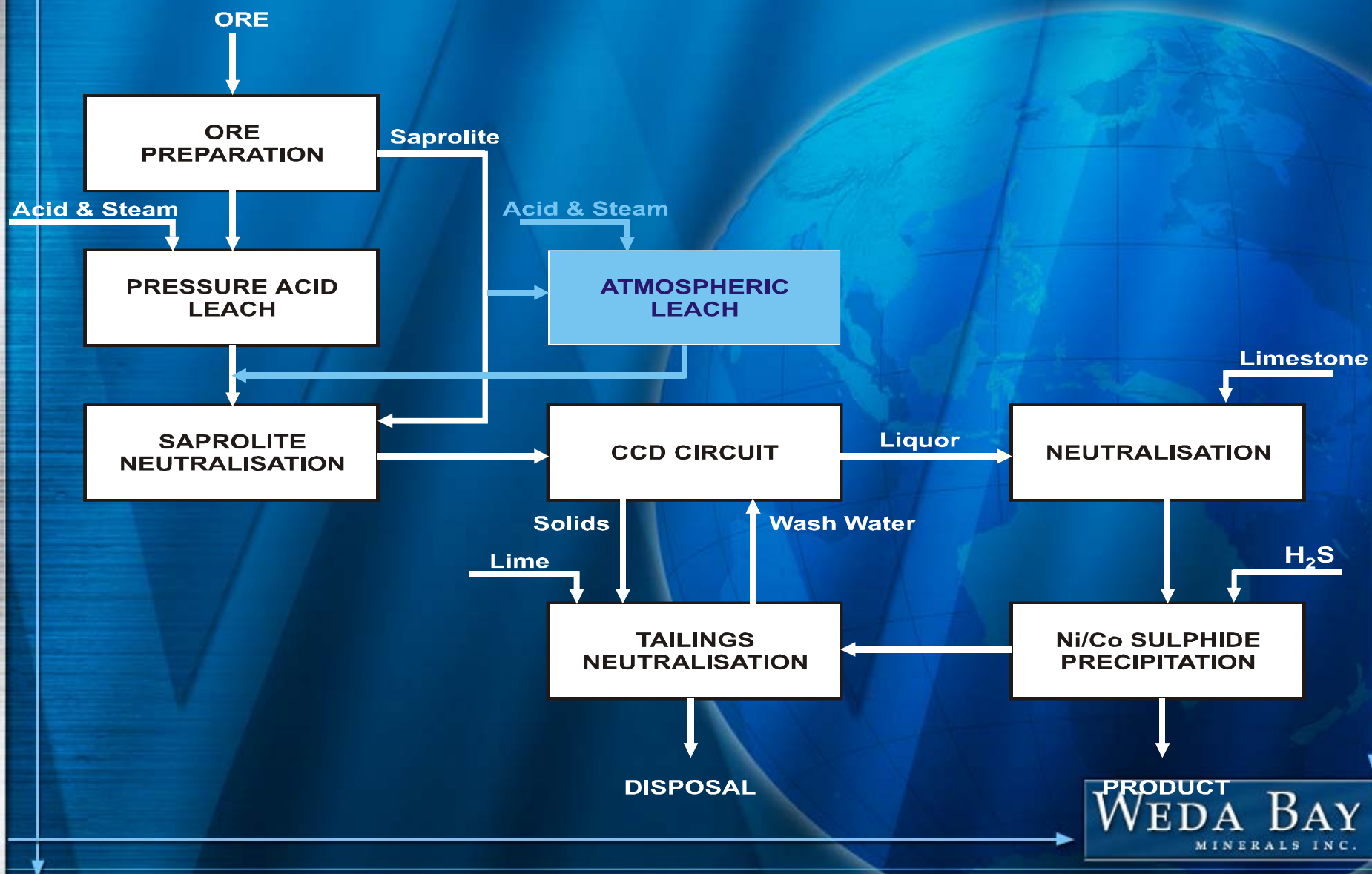
Laterite Mining

Mining & Processing



- ▶ Shallow open pit mine
- ▶ Hydrometallurgical processing
- ▶ All processing energy supplied by acid plant co-generation

An Integrated Flowsheet



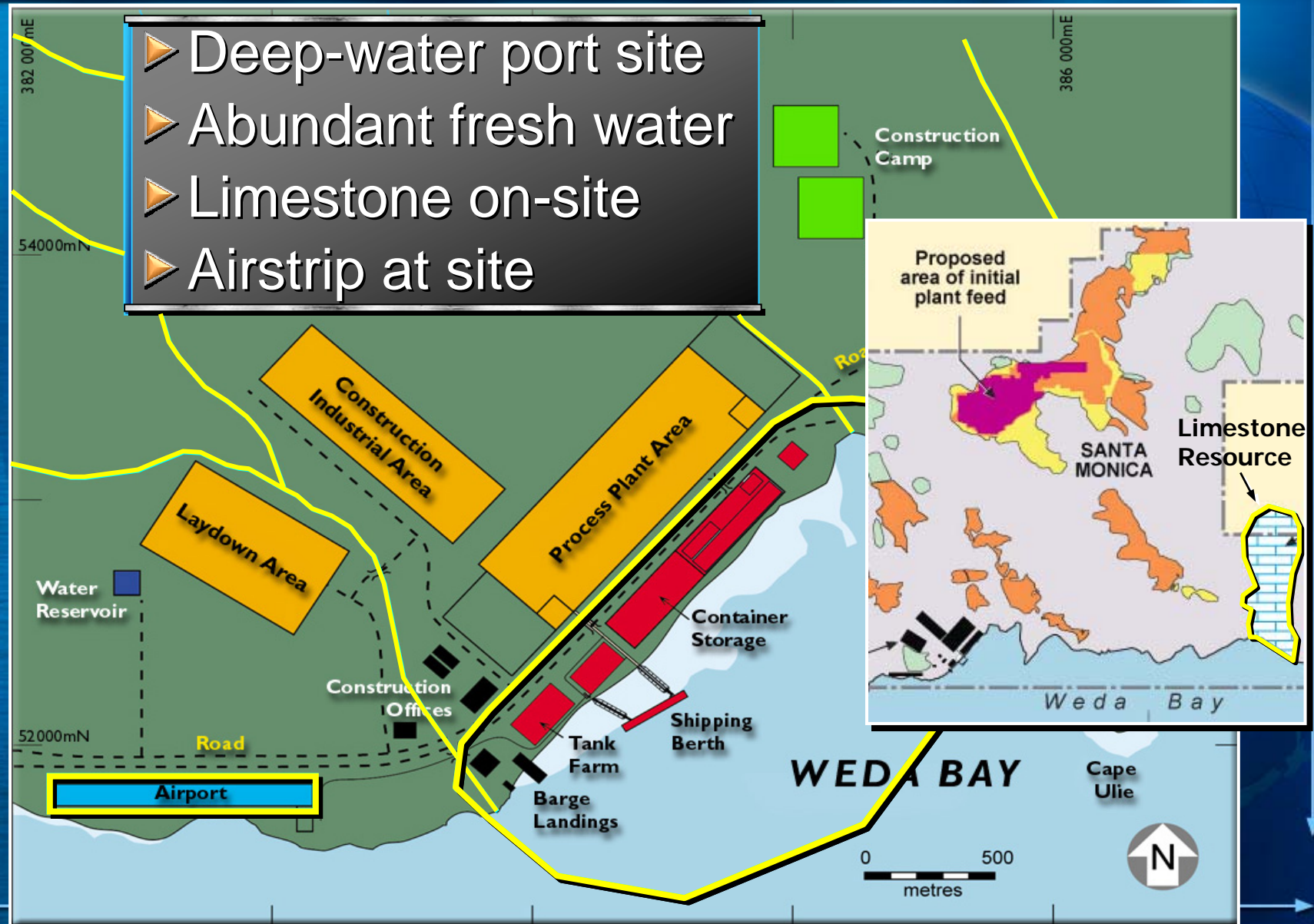
Integrated Processing

- ▶ 2 PAL trains,
Atmospheric Leach &
Sap Neutralization
- ▶ Extraction > 95% Ni and
Co
- ▶ Annual production:
 - ▶ 53,000 tpa Nickel
 - ▶ 4,000 tpa Cobalt
- ▶ High grade sulphide
intermediate product



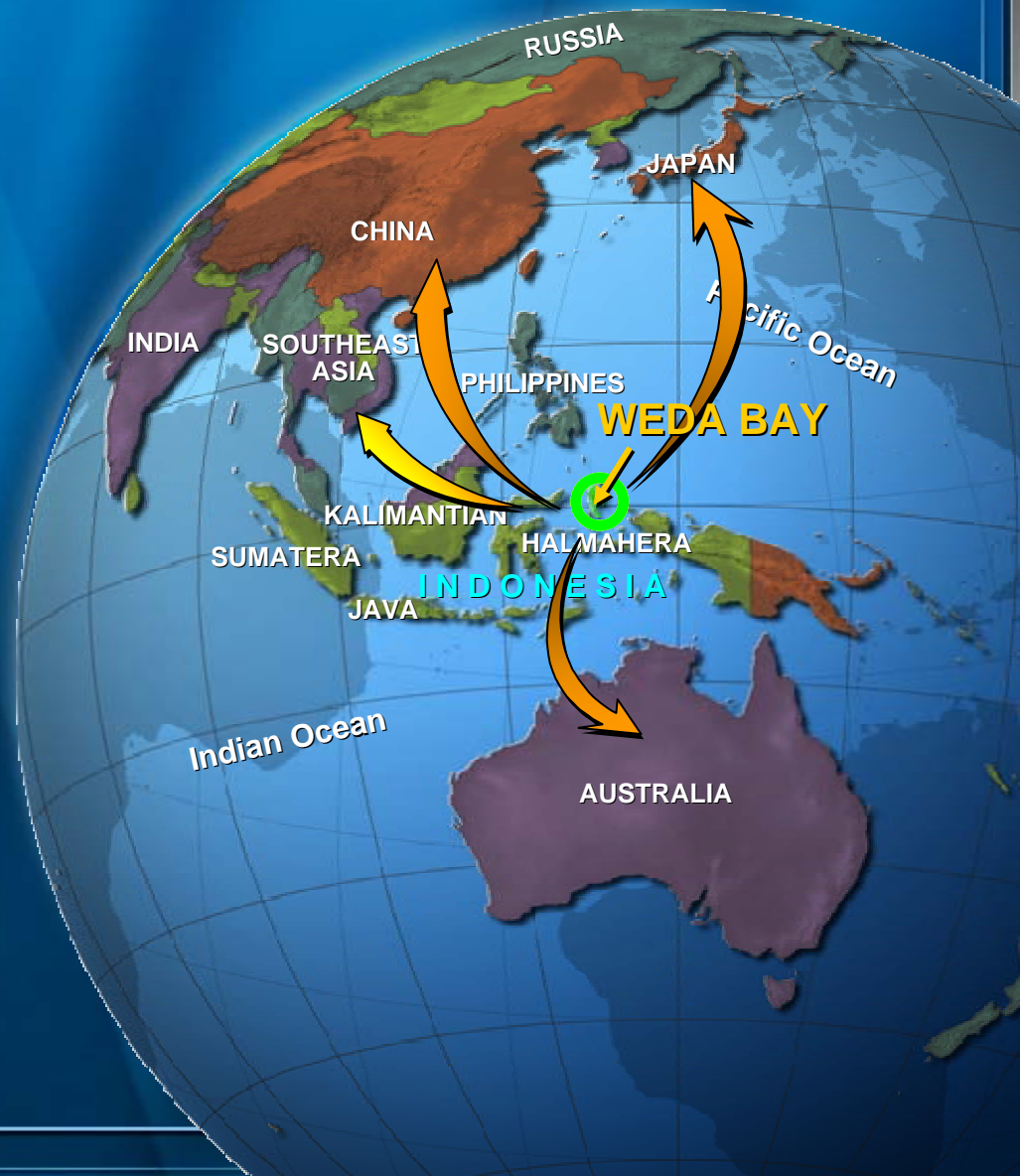
Excellent Logistics

- ▶ Deep-water port site
- ▶ Abundant fresh water
- ▶ Limestone on-site
- ▶ Airstrip at site



Market Access

- ▶ Close to key markets & refineries
- ▶ Close contact with producers in S. Korea, China & Japan
- ▶ Established transportation routes



Projected Costs & Economics

	PRE-FEASIBILITY & SCOPING STUDY 2002*	ADJUSTED 2006
Capital Costs	US\$700 M	US\$1-1.2 B
Operating Costs Before Cobalt Credit After Cobalt Credit	US\$0.82/lb US\$0.39/lb	US\$1.20/lb US\$0.80/lb
Annual Production Nickel Cobalt	116 M lbs 9 M lbs	116 M lbs 9 M lbs
Net Present Value (Assuming 10% discount)	US\$710 M C\$828 M	US\$350 M C\$400 M
Internal Rate of Return	36%	15-20%

*Based on US\$4/lb Ni & US\$10/lb Co

Social & Environmental Studies



- ▶ Environmental program meets highest international standards
- ▶ No resettlement issues
- ▶ Excellent relations with locals for 10 years

Project Summary

Cost Effective **Logistics**

Close To **Key Markets**

Excellent Recoveries, Proven
Processing & Technology

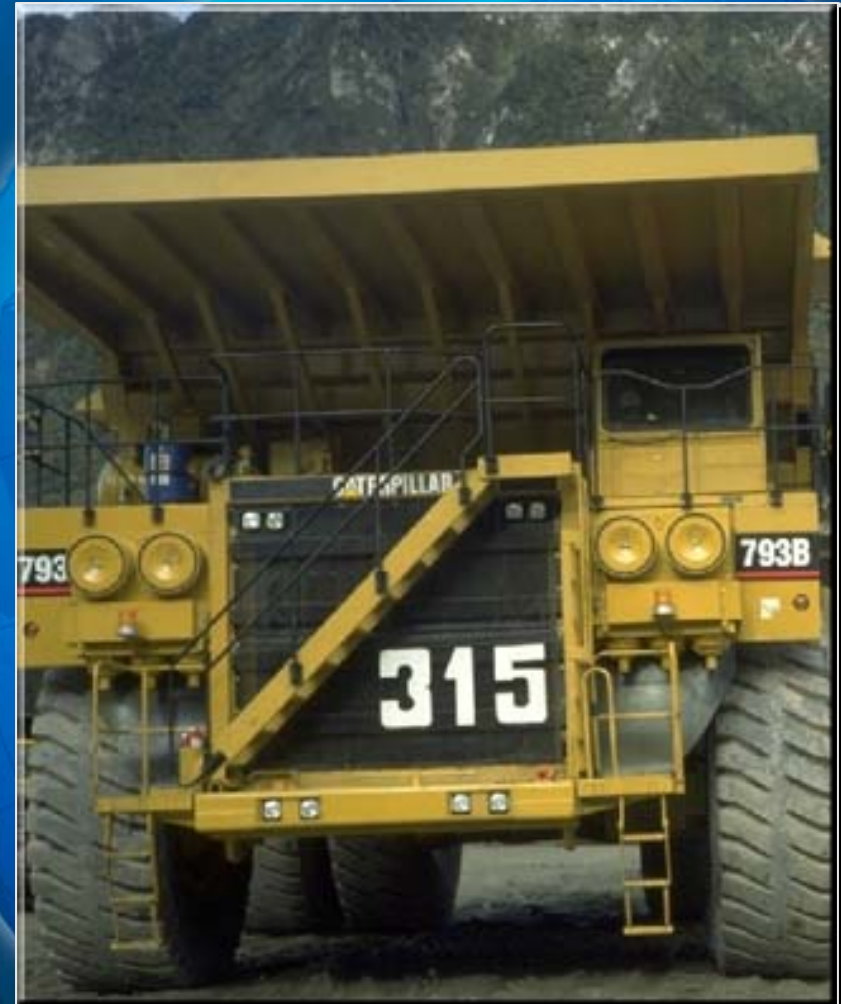
Excellent **Relationship**
With Populace & Government

Secure **Ownership** & Mining **Rights**

Indonesia

Investment Climate

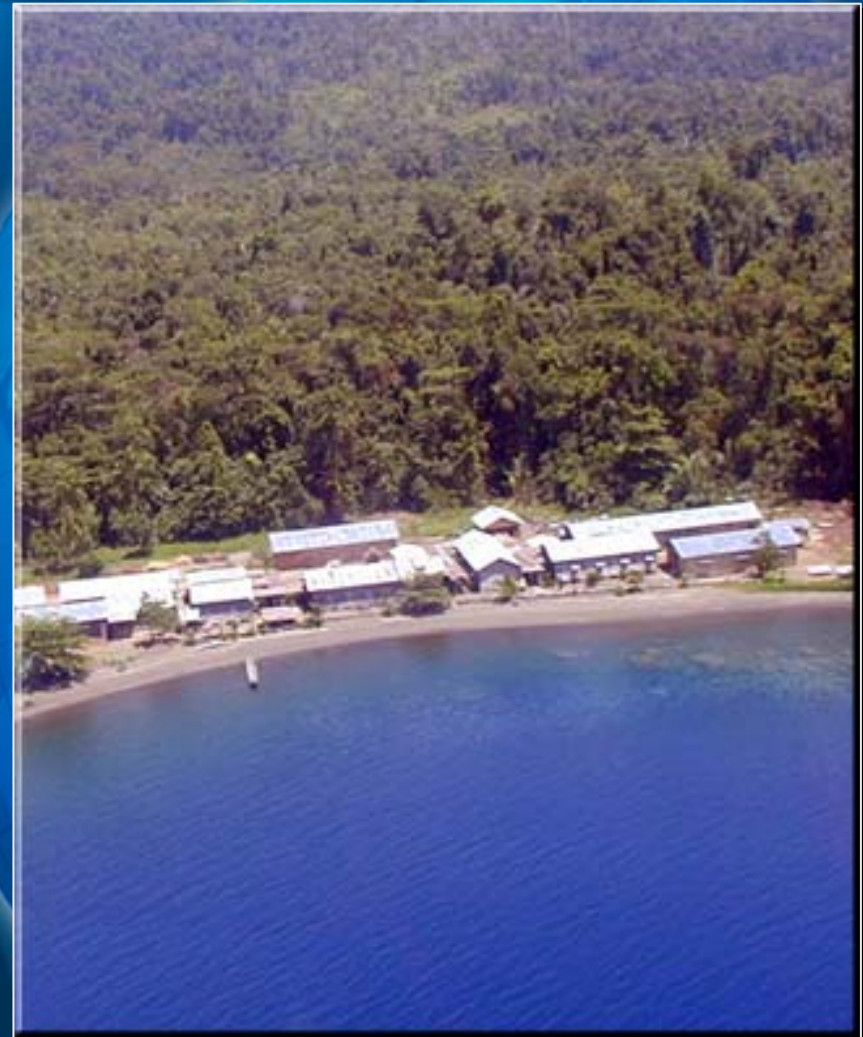
- ▶ Solid government commitment
- ▶ Maturing democracy
- ▶ Peaceful election process
- ▶ Other large industry players running successful, long-term operations



Indonesia

Supportive Towards Mining Industry

- ▶ Security of title through Contracts of Work (COW)
- ▶ 7th generation COW (best available)
- ▶ Guarantees stability in:
 - ▶ Tax & Royalties
 - ▶ Environmental issues
 - ▶ Landowner rights
- ▶ Irrevocable



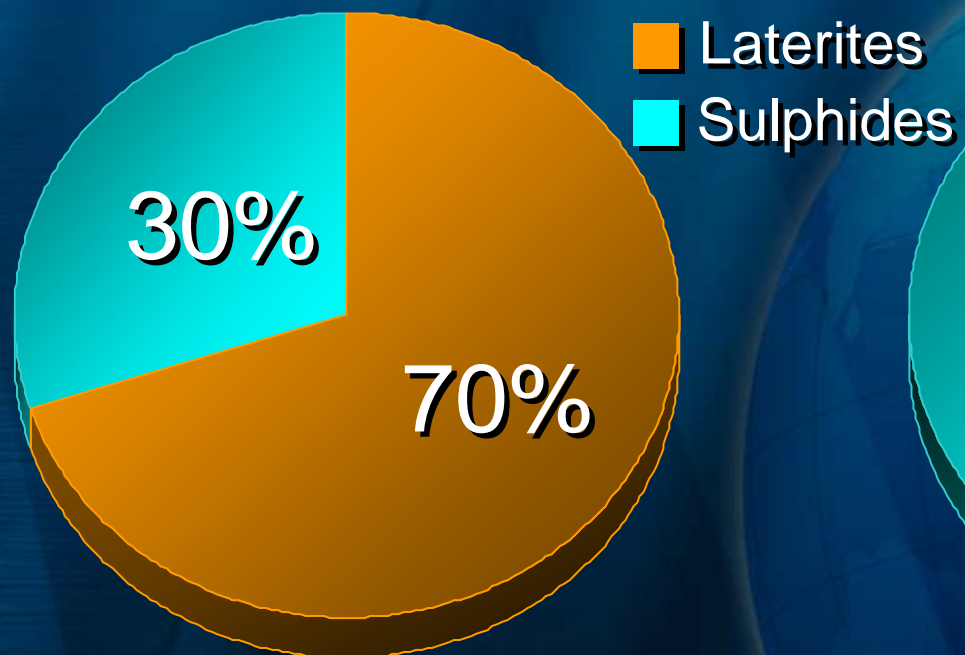
Indonesia

Strong Government Relations

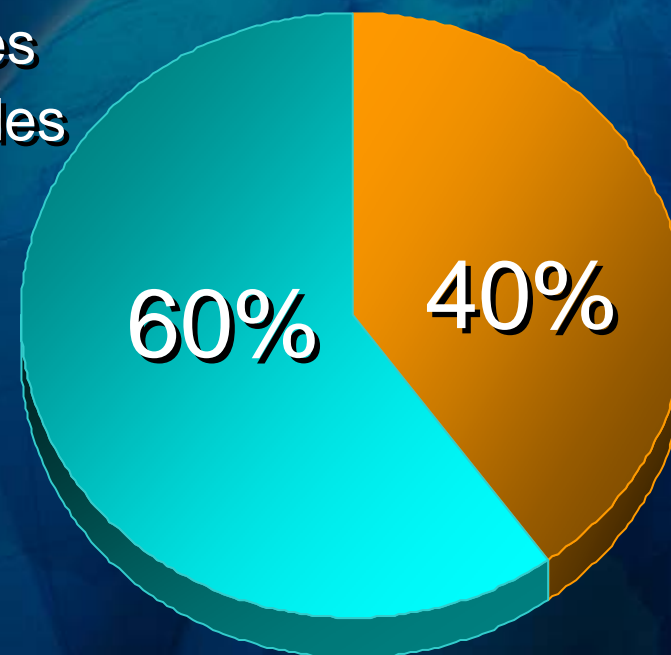
- ▶ Forestry issues resolved
- ▶ Good communications with regional & central government
- ▶ Indonesia's next major mine development
- ▶ Local business partner P.T. Antam
 - ▶ Publicly listed company
 - ▶ 60% owned by government
 - ▶ Holds 10% stake in Halmahera project

Nickel Mining

Resources



Production



Production Projections:

Sulphides
Laterites

Remain flat
Dramatic increase

Existing & New PAL Projects

Project	Location	Owner	Status
Moa Bay	Cuba	Sherritt	In production, operating since 1959
Cawse	Australia	OMG	In production
Murrin Murrin	Australia	Minara	In production
Rio Tuba	Philippines	Sumitomo	In production
Goro	N. Caledonia	Inco	In development
Ravensthorpe	Australia	BHP Billiton	In development
Niquel do Vermelho	Brazil	CVRD	Final Engineering
Ambatovy	Madagascar	Dynatec/ Sumitomo	Engineering

Majors & Juniors

Company	Associated Junior	Country
CVRD	Canico Resource Corp.	Brazil
BHP Billiton	Jaguar Nickel	Guatemala
INCO Ltd.	Skye Resources	Guatemala
INCO Ltd.	Heron Resources Ltd.	Australia
China Metallurgical Construction Corp.	Highlands Pacific Ltd.	PNG

Investment Highlights

World Class Asset by Size & Quality

Potential to Double Resources

Ideally Located with Cost-effective Logistics

Strong Economics

Seeking Joint Venture or Strategic Partnership

Experienced Management Team

Emerging Nickel Producer

WEDA BAY

MINERALS INC.

