

14 October 2014

The logo for Direct Nickel, featuring the letters 'DNI' in a bold, sans-serif font. The 'D' is black, and the 'Ni' is green. The logo is positioned on the right side of the page, overlaid on a decorative background of a hexagonal grid pattern.

Direct Nickel a finalist in the Australian Innovation Challenge

Direct Nickel (ASX: DIR and "DNI" or the "Company"), is pleased to advise shareholders the Company is a finalist in this year's The Australian Innovation Challenge awards in the Minerals and Energy category, as reported by The Australian <http://goo.gl/Czd0Et>.

The Australian Innovation Challenge awards are run by The Australian newspaper in association with Shell with the support of the federal Department of Industry. A panel of eminent Australians is judging the awards in five professional categories, with this year's winners to be announced on 29 Nov 2014.

Direct Nickel's selection as a finalist recognises the technological innovation of the DNI Process, an atmospheric hydrometallurgical process able to treat most nickel laterite ores to produce a number of final saleable products. The nomination also follows the completion of its successful Nickel Production Demonstration Program earlier this year DNI built and operated a one tonne per day Test Plant at the CSIRO's Australian Minerals Research Centre in Waterford, WA.

The completion of the program has positioned DNI for its first commercial plant in Indonesia and moves the Company towards realising its strategy to become a global nickel producer using the proprietary DNI Process to process laterite resources.

Following the success of the program at the DNI Test Plant, a Feasibility Study is now underway for a DNI Process Plant to produce up to 20,000 tonnes per annum of nickel in concentrate. For this, Direct Nickel has partnered with Indonesia's largest nickel miner, PT ANTAM (Persero) Tbk (IDX: ANTM; ASX: ATM; ANTAM).

By developing a DNI Process Plant in Indonesia, Direct Nickel is strategically positioned to take advantage of the Indonesia ore export ban which took effect in January 2014 and which now requires export markets such as China's massive steel sector to buy processed nickel concentrate instead of importing direct shipping ore.

For further information on The Australian Innovation Challenge, please follow the link: <http://www.theaustralian.com.au/innovationchallenge> .

A handwritten signature in blue ink, appearing to read 'Vincent Sweeney'.

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About Direct Nickel

Direct Nickel has developed a game changing process for extracting nickel from nickel laterite deposits. It will position Direct Nickel as one of the lowest cash cost producers in the global nickel industry in the next 5 years. The Process offers unparalleled cost efficiency, capital savings and environmental benefits.

Nickel is a strategic metal and a vital alloy in quality stainless steel. As a result of the decline in production from sulphides and technical difficulties with completion and start-up of alternative nickel laterite processing plants, nickel is forecast to suffer a supply shortfall commencing in 2017.

Direct Nickel has operations in Sydney and Perth. It also operates in Indonesia through its subsidiary, PT Direct Nickel with offices in Jakarta.

Additional information on the Company, the DNi Process, the Test Plant and related activities, including photographs, is available at www.directnickel.com, or by request from the Company.