

Notice of Annual General Meeting

Notice is hereby given that the 2014 Annual General Meeting of the Members of Direct Nickel Limited ACN 003 087 689, will be held at the offices of Sydney Capital Partners Level 6, 2 Bulletin Place, Sydney at 8am AEST on 18 December 2014.

Items of Business

1. 2014 Financial Statements and Reports – To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2014.
2. Remuneration Report
Resolution 1: Remuneration Report – To consider and, if thought fit, pass the following non-binding resolution: the Remuneration Report forming part of the Directors' Report for the year ended 30 June 2014 be adopted.
Voting exclusion: Votes may not be cast by or on behalf of anyone whose remuneration is included in the report.
3. Election of Directors
Resolution 2: Election of Mr Drinkard – To consider and if thought fit pass the following resolution: That Mr Drinkard be re-elected as a Director of the Company. *Note: Under the constitution one third of Directors retire by rotation and Mr Drinkard therefore retires and being eligible offers himself for re-election.*
Resolution 3: Election of Mr Vickerman – To consider and if thought fit pass the following resolution: That Mr Vickerman be elected as a Director of the Company. *Note: Mr Vickerman was appointed during the year and hence requires election at the meeting.*
4. Approval to issue warrants to Windward Prospects Limited
Resolution 4: To approve for all purposes, including for the purpose of ASX Listing Rule 10.11, the issue for nil consideration of warrants over 2,000,000 shares to Windward Prospects Ltd exercisable at 55 cents per share arising from provision of a loan facility. *Voting exclusion: Votes may not be cast by or on behalf of Windward Prospects Ltd and any of their associates.*

After the close of the formal meeting there will be a company update over morning coffee.

Notes

- 1. How to Vote and Voting Entitlements** - You may vote by attending the Meeting in person, by proxy or authorised representative. Eligible voters will be those registered holders of Shares 48 hours prior to the meeting or any adjournment thereof.
- 2. Voting in Person or by Corporate Representative** - To vote in person, attend the Annual General Meeting on the date and time at the place set out above. If a corporate Member wishes to appoint a person to act as its representative at the Meeting that person should be provided with a letter or certificate authorising him or her as the company's representative. The appointment must comply with the requirements of section 250D of the Corporations Act 2001 (Cth) and the representative should bring to the Meeting evidence of their appointment, including any authority under which such appointment is signed.
- 3. Voting by Proxy** - A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy. The proxy need not be a Member of the Company. If the Member is entitled to cast 2 or more votes, the Member may appoint not more than 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- 4. Your Annual Report** - The statutory Annual Financial Report will be mailed to all shareholders who have requested to receive annual reports by mail. A copy of the Annual Report is already available to download from the ASX website.
- 5. Questions** - If you have any questions about this notice please contact 02 8264 2400.

Explanatory/Supplementary Information

Director Backgrounds

Resolution 2: Bill Drinkard

Mr Drinkard is a chemical engineer and inventor with 40 plus years' experience developing hydrometallurgical processes for the profitable recovery of metals. He developed the core technology which is the foundation of the Direct Nickel process. As the President and CEO of Drinkard Research and Development Corp. and Drinkard Metalox, Inc., he is well-known for his chemical process innovation involving the commercial application of ammonia, nitric, and nitric oxide chemistry. He holds many patents world-wide. His companies have had significant relationships with multinationals including American Zinc, Dow Chemical, Eveready Battery, Falconbridge Nickel, Hickson, Kennecott, Nucor, and Rio Tinto. In addition, he works with ventures worldwide in the hydrometallurgical recovery of metals from traditional mining ores to electronic waste and ore waste materials. Mr Drinkard graduated with a degree in Chemical Engineering from North Carolina State University. He is a member of various metallurgical and chemical societies. He has presented a number of papers to technical societies in North American and internationally.

Resolution 3: Andrew Vickerman

Mr Vickerman has extensive experience as a senior executive in major mining companies and is based in London. During the period 1998 to 2009 he was a member of the Operating and Executive Committees of Rio Tinto with responsibility for communications and external relations. During the period 1994 to 1998 he was Finance Director of Lihir Gold Limited and prior to that worked with RTZ Mining & Metals as commercial advisor. With a background in economics and finance he has previously worked as a consultant for the World Bank and has travelled extensively over the past thirty years. Mr Vickerman is currently the Chairman of the Direct Nickel Limited.

Resolution 4: Issue of Warrants to Windward Prospects Limited

Windward Prospects Limited, a company related to Mr Christopher Gower a director of Direct Nickel Limited, provided a loan facility to Direct Nickel Projects Pty Limited in March 2014. The facility is for \$1 million, which was received in March and key terms were an interest rate of 15% per annum calculated monthly and compounding; a Management Fee equal to 1.5% per annum of the facility limit of \$1 million, re-imbursalment of costs and subject to shareholder approval, the issue of warrants. The facility is secured over Direct Nickel Projects Pty Limited. It is repayable in March 2016. The facility is denominated in AUD and any exchange variation is borne by the lender. The facility has been used for working capital purposes, including Perth operations.

The warrants to be issued entitle Windward to acquire 2,000,000 fully paid Ordinary shares, exercisable in parts or in full at an exercise price of 55 cents per share, at any time at the election of Windward Prospects until March 2019. The warrants will be issued within one month of approval by shareholders.

Under the ASX Listing Rules approval from non-associated shareholders is required for this issue. Accordingly, for this purpose and for all other purposes, the Company is seeking Shareholder approval for the issue of the above warrants to Windward Prospects Limited. The Directors other than Mr Gower, recommend that Shareholders approve the issue of the warrants.

PROXY FORM – DIRECT NICKEL LIMITED – AGM 2014

I/We.....
 (PLEASE PRINT NAME AND ADDRESS – EXACTLY AS SHOWN ON YOUR HOLDER STATEMENT)

Of.....(address)

being a member/members of Direct Nickel Limited ACN 003 087 689

A Appoint(PLEASE PRINT NAME)
 or failing the person so named (or if no person is named) the **Chairman of the Meeting** as proxy to vote in accordance with the following directions (or if no directions have been given as the proxy or the Chairman sees fit) at the **2014 Annual General Meeting** to be held on 18 December 2014 and at any adjournment thereof.

B Exercise of Proxy by Chairman

For undirected proxies, the Chairman intends to vote in favour of each resolution.

*If the person you are appointing as your proxy is someone other than the Chairman of the meeting:
 Write the name of that person in the box below.*

*If you hold two or more Shares you may appoint a second proxy and specify the % of your shares they represent:
 Write the name of your second proxy below & their %.*

 %

 %

C Business

		For	Against	Abstain
Resolution 1	Remuneration Report	<input type="text"/>	<input type="text"/>	<input type="text"/>
Resolution 2	Drinkard re-appointment	<input type="text"/>	<input type="text"/>	<input type="text"/>
Resolution 3	Vickerman appointment	<input type="text"/>	<input type="text"/>	<input type="text"/>
Resolution 4	Issue of Warrants to Windward	<input type="text"/>	<input type="text"/>	<input type="text"/>

D Email

E Insert your daytime telephone number

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F Signature *(corporate shareholders see below)*

G Name

Signatures if Corporate Shareholder	
Executed in accordance with section 127 of the Corporations Act	
Director/Sole Director - sign and print name	_____
Director/Secretary - sign and print name	_____

Kindly return to: Direct Nickel Limited, GPO Box 1658, Sydney NSW 2001

Note: For your proxy to be entitled to vote your Shares at the Meeting, the completed Proxy Form must be received at least 48 hours before the Meeting.