

30 April 2011

Progress Update & excellent Maiden JORC Resource Estimates

In the material provided to shareholders at the EGM last year we provided an outline of the proposed Direct Nickel business strategy.

The strategy centered on :

- ❑ Creating a world class nickel company focused on processing nickel in Asia-Pacific
- ❑ Capitalising on the expected demand driven deficit in nickel production
- ❑ Commercialising the DNi Process for treating nickel laterites
- ❑ Becoming one of the lowest cost nickel producers
- ❑ Growing a nickel deposit base for minimal cost
- ❑ Maintaining quality industry & strategic investors and partners.

All of these elements are progressing well. In addition, the world nickel price, although at low levels for recent years, remains at or above the level stated in the EGM material as the level on which the company had done much of its planning – approx USD \$17,500 per tonne.

The EGM explanatory statement on page 32 outlined that DNi intends to build a nickel deposit portfolio to support an annual production which would position it to be one of the larger nickel producers in Asia Pacific.

This will be achieved through the exclusive control of the DNi Process and the acquisition of nickel deposits at low cost. The same document outlined that DNi will have a 50% interest (via Oro Nickel Ltd) in the development of the Mambare nickel deposit in PNG.

At the time of the EGM the company was aware of the potential of the Mambare nickel deposit. However as this was not estimated according to the JORC standard, under the ASX Listing rules we were not able to provide any comment on the size of the expected deposit.

We are very pleased to now be able to provide the Maiden JORC Compliant resource estimate for almost 1 million tonnes of nickel at the Mambare project, in which DNi has a 50% interest.

Of these results, 70% arise from work on the less prospective slopes of the site using 2008 and 2011 data. 30% of the results come from the more prospective Plateau area – and importantly, only 3% of the plateau area is included, suggesting that the project could comfortably exceed original expectations.

The Company will continue to progress its re-quotations of shares on the ASX subject to the provisions of Chapter 1 & 2 of the Listing Rules, including completing of fund raising initiatives.



Chairman

MAIDEN JORC COMPLIANT MINERAL RESOURCE ESTIMATE FOR THE MAMBARE NICKEL LATERITE PROJECT

30 April 2012

DNi is pleased to announce the maiden Mineral Resource Estimate (“MRE”) defined in accordance with the JORC standard, for the Mambare Nickel Laterite Project in Papua New Guinea. Exploration at the Mambare Nickel Laterite Project is being undertaken by Oro Nickel Ltd, a 50:50 Joint Venture of Regency Mines plc and Direct Nickel Pty Ltd. All values are reported on a total (100%) rather than JV share basis.

The combined Indicated and Inferred JORC compliant Resource is:

95.1 million tonnes grading 0.96% nickel and 0.08% cobalt

912,595 tonnes of contained nickel at a 0.60% nickel cut-off grade

The resource estimate was independently calculated by CSA Global (Perth, Australia) (“CSA”) based on the results of the 2011 exploration campaign and only those holes from the 2008 exploration campaign located within the 2011 drilling area, comprising 3790 metres from 162 drill holes and 5 test pits.

A detailed breakdown of the resource is provided below, with the South representing the Slopes of the plateau and the North representing the Plateau.

Area	Lith Type	Class	Cut off Ni%	Vol '000m ³	Tonnes '000 t	Ni%	Fe%	Co%	MgO%	SiO ₂ %
South (slopes)	Limonite	Indicated	0.6	1,618	1,699	1.00	40.93	0.11	4.05	15.84
		Inferred	0.6	36,958	38,805	0.89	39.77	0.11	4.87	16.84
		Total	0.6	38,575	40,504	0.90	39.82	0.11	4.84	16.80
	Saprolite	Indicated	0.6	1,648	1,928	1.05	13.75	0.04	23.12	44.84
		Inferred	0.6	22,565	26,401	1.02	14.29	0.04	22.43	42.82
		Total	0.6	24,213	28,330	1.03	14.25	0.04	22.48	42.96
Total		Indicated	0.6	3,266	3,627	1.02	26.48	0.07	14.19	31.26
		Inferred	0.6	59,523	65,207	0.95	29.45	0.08	11.98	27.36
		Total	0.6	62,789	68,834	0.95	29.30	0.08	12.10	27.57

North (plateau)	Limonite	Indicated	0.6	0	0	0.00	0.00	0.00	0.00	0.00
		Inferred	0.6	17,647	18,530	0.89	43.48	0.11	2.94	12.71
		Total	0.6	17,647	18,530	0.89	43.48	0.11	2.94	12.71
	Saprolite	Indicated	0.6	0	0	0.00	0.00	0.00	0.00	0.00
		Inferred	0.6	6,580	7,699	1.20	14.35	0.05	24.16	40.31
		Total	0.6	6,580	7,699	1.20	14.35	0.05	24.16	40.31
Total	Total	Indicated	0.6	0	0	0.00	0.00	0.00	0.00	0.00
		Inferred	0.6	24,227	26,228	0.99	34.93	0.10	9.17	20.81
		Total	0.6	24,227	26,228	0.99	34.93	0.10	9.17	20.81
Total	Total	Indicated	0.6	3,266	3,627	1.02	26.48	0.07	14.19	31.26
		Inferred	0.6	83,750	91,435	0.96	31.02	0.08	11.18	25.48
		Total	0.6	87,016	95,062	0.96	30.85	0.08	11.29	25.70

All tonnes in this announcement are dry metric tonnes.

The MRE was calculated across a combined area of 9 Km², with only 2 Km² in the primary target, the 80 Km² plateau. The remainder of the resource is on the southern slopes below the plateau.

An Executive Summary has been provided by CSA to Oro Nickel Ltd, pending the delivery of the full JORC report which will contain full supporting documentation normally accompanying such a report.

The Mineral Resource Estimate was completed by Rory Devlin under the direction of Dmitry Pertel and Mick Elias. Rory Devlin, Dmitry Pertel and Mick Elias are employees of CSA Global. Mick Elias, FAusIMM is a Competent Person as defined by the Australasian Code for the Reporting of Exploration Results, Mineral Resources or Ore Reserves (JORC Code 2004 Edition), and as a Qualified Person within the meaning of AIM's Note for Mining and Oil & Gas Companies of June 2009. Mr. Elias has reviewed the information contained in this announcement and consents to the inclusion of such information in the form and context in which it appears.



Mambare Project Manager, Ian Warden, commented:

“This has the potential to be one of the world’s significant single nickel laterite deposits.

This resource estimate of 95 million tonnes is three times the size of our initial target for this campaign.

We found better thicknesses and grades than we anticipated, having penetrated the full profile including both limonite and saprolite horizons. Within the total JORC compliant resource there appear to be significant tonnages of higher-grade material, which bodes well for future project economics.

We have drill tested less than 3% of the plateau surface, with mineralization open across the plateau to the north and west of the current drilling. This indicates the very significant potential upside of this project.

These results reinforce our belief that the combined potential of the Mambare Nickel Laterite Project and the Direct Nickel Process for extracting nickel from laterites will allow us to create a truly outstanding project.”

The results detailed above are based primarily on the data from the 2011 drill programme as well as selected 2008 holes located in the vicinity of the 2011 operations. An expanded MRE incorporating all the results from the 2008 exploration campaign and Ground Penetrating Radar Surveys as well as the results released here, will be released in the coming weeks in the form of a second report with a further increase in tonnage expected.

Following the delivery of the MRE at Mambare, attention will now be given to future resource definition work, metallurgical testing, and scoping studies.

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Background on the Mambare Nickel Laterite Project

The Mambare project consists of a portfolio of two exploration licences with an aggregate area of over 459 km², including 255 km² of granted tenure. The licence areas are situated on the Mambare Plateau, located in the Oro Province of Papua New Guinea.

The Mambare Plateau is situated north and east of the Mambare River and on the south-western boundary of the Ajule-Kajale Range. The Kokoda district is situated to the south of the project area. Recent exploration activity has been undertaken from an exploration camp situated about 8 km north of Kokoda on the southern slopes of the plateau and north of the village of Botue. Access to the project area is via sealed and gravel road from the provincial capital Popondetta to Kokoda. Sealed road also connects Popondetta to the commercial port of Oro Bay.

The Mambare joint venture has also secured two exploration licences covering 1473 km² in the Mount Lamington and Hydrographers Range volcanic areas, and 191 km² in the Mt Trafalgar volcanic area. These Exploration Licences have been granted to explore the region for geothermal heat, which could provide cheap, renewable energy for process heat and electrical energy for use in any future mine and DNi Process plant. Exploration will also assess the potential of any other minerals discovered within the application area.



Technical Glossary

Co	Chemical symbol for Cobalt
Cut-Off Grade	The estimated lowest grade of ore to be considered and included in the potentially economic part of the deposit
Fe	Chemical symbol for Iron
Grade	Quantity of metal for unit weight of host rock
Ground Penetrating Radar	Is a geophysical method that uses radar pulses to image the subsurface. This non-destructive method uses electromagnetic radiation in the microwave <u>band</u> (UHF/VHF frequencies) of the radio spectrum, and detects the reflected signals from subsurface structures. GPR can be used in a variety of media, including rock, soil, ice, fresh water, pavements and structures. It can detect objects, changes in material, and voids and cracks.
Indicated Mineral Resource	Defined in the JORC Code as "An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence." For the purposes of the CSA resource estimate, Indicated Resources are defined by 100 x 100m drill hole spacings or smaller.
Inferred Mineral Resource	Defined in the JORC Code as "An 'Inferred Mineral Resource' is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence." For the purposes of the CSA resource estimate, Inferred Resources are defined by drill spacings of greater than 100 x 100m, with drill spacings generally being on 200 x 200m and 200 x 400m spacings.
JORC	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code' or 'the Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves
Laterite	A strongly leached, iron and aluminium rich rock, formed at the surface by weathering in tropical conditions
Limonite	An amorphous, hydrated iron oxide, dark brown to black, occurs in earthy masses of various forms.
MgO	Chemical symbol for Magnesium Oxide
Mineral Resource	A concentration or occurrence of material of economic interest in or on the Earth's crust in such a form, quality, and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, estimated from specific geological knowledge, or interpreted from a well constrained and portrayed geological model
Mineralization	Accumulations of economic or related minerals
Mt	Millions of dry metric tonnes
Ni	Chemical symbol for Nickel
Saprolite	A soft, earthy, red or brown, clay-rich and totally decomposed rock, formed in place by chemical weathering of igneous or metamorphic rocks, particularly in humid climates. Structures that were in the unweathered rock are preserved in saprolite.
SiO ₂	Chemical symbol for Silicon Dioxide