



22 April 2013

DIRECT NICKEL TEST PLANT HOT COMMISSIONING UPDATE

- **Stage 1 of Test Plant Commissioning achieved on schedule**
- **Acid recovery circuit performing to design**
- **Test Plant set up for optimising Stage 1 to commence**
- **Stage 2 fabrication complete and installation underway**
- **Additional ore from Brazil to be tested in May**

Direct Nickel Limited (ASX: DIR and “DNI”) is pleased to report that commissioning of Stage 1 of its nickel extraction process Test Plant in Perth has been successfully achieved. The DNI board views the results of the first three months of operations as very successful and a strong indication that demonstration of the DNI Process on a continuous basis will be achieved during the year as planned.

DNI has developed a nickel extraction process that is a game-changer in the \$30bn per year global nickel sector. The DNI Process is unique hydrometallurgy that not only treats both limonite and saprolite ores, but also does so economically with industry competitive capital and operating costs. In doing so, the Process has the potential to add materially to the prospective value of world nickel laterite resources which receive access to the DNI Process.

Hot Commissioning

Hot commissioning has been achieved over a period of three months. For the first part of that period activity focussed on the leaching, solid liquid separation and intermediate product circuits. These units quickly achieved design metallurgical performances.

In the latter stage of hot commissioning the nitric acid recovery circuit was brought into use.

The running strategy is to have continuous operating campaigns for 10 days followed by a five day break. Campaign 6 which started at the beginning of April focussed on running the complete Stage 1 flowsheet with recycle of recovered acid and magnesium oxide (MgO).

DNI's CEO Russell Debney said the Company was on schedule with its plans to deliver a completed Test Plant program for shareholders in 2013 following the successful delivery of Stage 1 of Test Plant commissioning. “We are on schedule and performing to design, which is rewarding for all stakeholders involved in the commissioning program,” Mr Debney said.

The Test Plant is designed to treat around 1 tonne/day of laterite feed and has operated to date on nickel laterite material from Indonesia, mainly with a blend of limonite and saprolite. The Test Plant is located at CSIRO's Australian Minerals Research Centre in Perth, Western Australia. The operating team is led by DNI working closely with experienced personnel from CSIRO, RMDSTEM and Teck Resources Limited (“Teck”) (and Teck's technology division, CESL).

Mr Debney said the Company had operated safely and efficiently during the first six Campaigns, with safety being uppermost in all planning and operating crew meetings at the Test Plant in Perth.

“The operating team has worked extremely hard through this hot commissioning period. A great deal of effort was put in during the design and construction phase and real-time operations are designed to throw up

challenges which test the innovation and experience of operations people. Our team has risen well to the challenge and the excellent results have confirmed our belief in the DNi Process”

DNi’s technical partners include Teck and the Australian Government’s premier science organisation, CSIRO. Both are world-class experts in hydrometallurgy and both groups are also significant investors in DNi .

In addition to assistance at the Test Plant, the CSIRO is supporting the Process with A\$4.3 million in direct equity investment in DNi, one of its major investments. A capital investment in the Test Plant was made possible through a Subscription Agreement via the Australian Growth Partnership (AGP) Programme.

DNi’s collaboration with CSIRO is featured in the March issue of CSIRO’s Resourceful magazine available at <http://www.csiro.au/Portals/Publications/Magazines/resourceful.aspx>.

Next campaigns

Now that Stage 1 is operating in continuous mode the next two months will include further campaigns where the process results will be optimised. One of these campaigns will involve the treatment of sample from Teck’s Santa Fe Ipora project in Brazil to add to existing results that demonstrate the broad applicability of the DNi Process. Commissioning of the Stage 2 modules should be achieved in June 2013.

Mr Debney said “With Stage 1 settling down and Stage 2 construction well advanced, DNi is well placed to fully demonstrate the DNi Process during this year. We are steadily creating value for DNi and all shareholders through the hot commissioning program in Perth”.

Photographs attached

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Direct Nickel Process – Perth Test Plant April 2013



Stage 1 Test Plant with Stage 2 module in the foreground



Test Plant operations personnel Yohanes Tandi & Chris Mwaba