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25 March 2014

Funding Facility

To continue to support the funding of the group we have arranged a loan facility from Windward Prospects Limited, an investment fund which is a significant shareholder in the Company.

The summary terms of the facility are :

- Loan is to Direct Nickel Projects Pty Limited a 100% owned subsidiary
- Loan will be secured over the assets of the subsidiary but is not guaranteed by the holding company
- \$1 million advance
- Due for repayment in two years time
- Interest rate and fees totaling approx sixteen and a half per cent per annum
- Attaching options to acquire two million shares at a price of fifty five cents per share
- The company may repay the loan at any time before the due repayment date without any penalty
- As the facility is being provided by a substantial shareholder, the issue of the options is subject to shareholder ratification at the next meeting of shareholders.

We would like to thank Windward for their continued support as we progress the company.

Yours sincerely

Vincent Sweeney
Chairman