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Direct Nickel produces first marketable Nickel Concentrate

The board of Direct Nickel Limited (ASX: DIR and "DNi" or the "Company") is pleased to advise that the Company's Test Plant has produced its first marketable nickel/cobalt concentrate in the form of a Mixed Hydroxide Product (MHP).

Direct Nickel CEO, Russell Debney said this is another significant milestone and the Test Plant technical program is on track to deliver on targets set for 2013. These targets include the generation of engineering and economic data for design of a first DNi commercial plant, commencing in 2014.

As advised in April and May 2013, Stage 2 of the Test Plant has been constructed and successfully commissioned. This completes the full DNi Process flowsheet for the operations now underway at the Test Plant at the Australian Minerals Research Centre, Perth.

The recently completed 10 day campaign used an Indonesian laterite feed supplied by PT ANTAM, Indonesia's largest nickel miner, under its Co-operation Agreement with DNi. During the campaign, the circuit demonstrated high extraction of nickel and cobalt from a mixed feed of 25% limonite and 75% saprolite ore.

In addition to producing MHP, the circuit is recovering nitric acid for recycling within the process and also recovering magnesium oxide (MgO) from its waste streams, demonstrating the key elements which distinguish the DNi Process from existing laterite treatment technologies.

Mr Debney said that the first production of marketable nickel concentrate at the Test Plant was the culmination of several years' work, with over $40 million having already been invested in the Company and its technology.

"Direct Nickel is now well positioned in its plans to introduce a revolutionary extractive technology to unlock the potential of the world's extensive nickel laterite resources and provide a competitive supply solution to the global nickel and stainless steel industries among others", he said.

"We are well on the way to concluding the Test Plant program successfully, and the board and management are already working on funding and development strategies for the first commercial plant', Mr Debney said.

In parallel with the Test Plant program in Perth, good progress is being made in Indonesia where DNi has completed a study of potential sites for construction and operation of the first commercial plant.

Test Plant Campaigns

Project Manager and Technical Director Graham Brock leads a team at the Australian Minerals Research Centre which includes personnel from CSIRO (Australia's leading government research organisation), Teck Resources Limited (Canada) and RMDSTEM.

Mr Brock said "The production of nickel concentrate in the form of MHP so quickly after having the Stage 2 equipment commissioned was an excellent result".

”Over the past few weeks we have successfully processed laterite samples from both Indonesia and Brazil through the plant. The ability to change seamlessly from one sample to the other highlights how robust the technology is and underlines the talent of the operations team in Perth”.

With twelve of the planned nineteen campaigns now completed at the Test Plant and with the flow sheet fully commissioned, the Program will now move into optimising the Process in continuous operation. The Program is expected to complete by the end of 2013.

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 existing 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.

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