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Wintech Group Limited

(Subject to Deed of Company Arrangement)

ACN 003 087 689

(to be renamed "Direct Nickel Limited")

NOTICE OF MEETING OF SHAREHOLDERS AND EXPLANATORY STATEMENT

General Meeting to be held on 2 September 2011 commencing at 2 pm (AEST)

at the offices of Sydney Capital Partners – Level 6, 2 Bulletin Place Sydney NSW 2000

This Notice of Meeting, Explanatory Statement and other material should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional adviser.

**RECAPITALISATION PROPOSAL OF
WINTECH GROUP LIMITED**
(Subject to Deed of Company Arrangement)
(ACN 003 087 689)

General Information

This Notice of Meeting and Explanatory Statement sets out information about the proposed recapitalisation of the Company.

Completion of this Recapitalisation Proposal will result in:

- (a) the restructure of the Company's capital base;
- (b) removal of all debts and creditors of the Company as at June 2011;
- (c) the Company acquiring at least an 80% interest in Direct Nickel Pty Ltd;
- (d) the raising of funds for the working capital of the Company; and
- (e) application for re-quotations to the ASX.

Further details of the Recapitalisation Proposal are provided in section 2 of the Explanatory Statement. A short explanation of each Resolution to be considered at the General Meeting is set out in section 3 of the Explanatory Statement. Definitions of capitalised terms used in the Notice of Meeting and Explanatory Statement are set out in Section 6 of the Explanatory Statement.

In considering the Resolutions, Shareholders must bear in mind the current financial circumstances of the Company.

If the Resolutions are passed and the proposed recapitalisation is completed, the Company should be in a position to seek re-quotations of its securities on ASX.

If Shareholders reject the proposed recapitalisation, it is unlikely the Company will be re-quoted on the ASX.

The Resolutions are therefore important and affect the future of your Company. You are urged to give careful consideration to the Notice of Meeting and the contents of the Explanatory Statement.

NOTICE OF MEETING OF SHAREHOLDERS

WINTECH GROUP LIMITED

(Subject to Deed of Company Arrangement)

(ACN 003 087 689)

Notice is given that a General meeting of Shareholders of Wintech Group Limited will be held on 2 September 2011 at 2 pm (AEST) at the offices of Sydney Capital Partners – Level 6, 2 Bulletin Place Sydney NSW 2000.

Special Business

The business to be transacted at the General Meeting is the proposal of the Resolutions 1 to 8 as set out below.

Resolution 1A - Issue of shares and options to Creditors Trustee and 2009 Convertible Note Holders

To propose and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to Resolution 3 being passed, and for the purposes of ASX Listing Rule 7.1, the Corporations Act and for all other purposes, approval be and is hereby given, to the issue of Shares to the Creditors Trustee and the issue of Shares and Options to the 2009 Convertible Note Holders, or their nominees, as detailed in the accompanying Explanatory Statement.”

Resolution 1B - Issue of shares and options to Directors which might arise under Resolution 1A

To propose and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to Resolution 1A and 3 being passed, and for the purposes of ASX Listing Rule 10.11, the Corporations Act and for all other purposes, approval be and is hereby given, to the issue of Shares to the Creditors Trustee and the issue of Shares and Options to the 2009 Convertible Note Holders in so far as they relate to Directors of the Company, or their nominees, as detailed in the accompanying Explanatory Statement.”

Resolution 2 – Consolidation of Capital

To propose and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That in accordance with section 254H of the Corporations Act and Listing Rule 7.20 and for all other purposes, all Shares in the Company be consolidated as detailed in the accompanying Explanatory Statement.”

Resolution 3 – Issue of Shares to ABEnergy Properties Pty Ltd

To propose and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.1 and item 7 of section 611 of the Corporations Act, and for all other purposes, approval be and is hereby given, to the issue of Shares to ABEnergy Properties Pty Ltd or its nominees as detailed in the accompanying Explanatory Statement.”

Resolution 4 – Approval of change in activities

To propose and, if thought fit to pass the following resolution as an **ordinary resolution**:

“That, subject to Resolutions 1 and 3 (inclusive) being passed and for the purposes of ASX Listing Rule 11.1 and for all other purposes the Company’s activities be changed to include the mining, processing and sale of mineral products, as detailed in the attached Explanatory Statement.”

Resolution 5 - Approval to issue Ordinary Shares

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Company be authorised to issue Shares to raise up to \$4,000,000 on the terms detailed in the accompanying Explanatory Statement.”

Resolution 6 – Change of Name

To propose and, if thought fit, to pass the following resolution as a **special resolution**:

“That in accordance with section 157 of the Corporations Act and for all other purposes, approval be and is hereby given to allow the Company to change its name to ‘Direct Nickel Limited’ as detailed in the accompanying Explanatory Statement.”

Resolution 7 – Modify constitution

To propose and, if thought fit, to pass the following resolution as a **special resolution**:

“That in accordance with the Constitution and the Corporations Act and for all other purposes, approval be and is hereby given to modify the Constitution as detailed in the accompanying Explanatory Statement.”

Resolution 8 – Issue of Shares to the Vendors of Direct Nickel Pty Ltd

To propose and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That for the purposes of Listing Rule 7.1 and item 7 of section 611 of the Corporations Act and for all other purposes, approval be and is hereby given to issue Shares and Options in consideration for the acquisition by the Company of all, or if not all then not less than 80% of the issued capital of Direct Nickel Pty Ltd, on the terms and conditions as detailed in the accompanying Explanatory Statement.”

Voting Exclusion Statement

The following voting exclusion statement applies to the Resolutions due to requirements under the Listing Rules or where applicable, the provisions of the Corporations Act. The Company will disregard any votes on the following Resolutions cast by the following Excluded Persons:

Resolution Number	Title	Excluded Persons
1A and 1B	Issue of Shares to the Creditors Trustee and to the 2009 Convertible Notes Holders, or their nominees	1A - 2009 Convertible Note Holders and creditors or their nominees and any of their Associates excluding present directors of the Company refer below). 1B - Present directors of the Company and their nominees and any of their Associates.
3	Issue of Shares to ABEnergy Properties Pty Ltd or its nominees	ABEnergy Properties Pty Ltd or its nominees and any of their Associates. ABEnergy Properties Pty Ltd has informed the Company that it is not aware of any such persons holding shares in the Company.
5	Approval to issue Ordinary Shares	Any person who might obtain a benefit, except a benefit solely in the capacity of a security holder of ordinary securities, if the Resolution is passed, and any of their Associates. All shareholders who intend (or have associates that intend) to subscribe for any shares pursuant to Resolution 5 should abstain from voting on Resolution 5.
8	Approval for the issue of shares to the Vendors of Direct Nickel Pty Ltd	The Direct Nickel Vendors and any of their nominees and any of their Associates. Direct Nickel has informed the Company that it is not aware of any such persons holding shares in the Company.

However the Company need not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice of Meeting and should be read in conjunction with it.

Some Resolutions are subject to or conditional upon another Resolution being passed. Accordingly, the Resolutions should be considered collectively as well as individually.

Shareholders are specifically referred to read Section 6 of the Explanatory Statement, which contains definitions of capitalised terms used in this Notice of Meeting and the Explanatory Statement.

Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the general meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that body corporate's representative. The authority may be sent to the Company or its share registry in advance of the General Meeting or handed in at the General Meeting when registering as a corporate representative.

Voting Entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Company has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the register of Shareholders as at 7 pm on 1 September, 2011. Accordingly, transactions registered after that time will be disregarded in determining Shareholders' entitlement to attend and vote at the General Meeting.

By Order of the Board

Trevor Kelly
Company Secretary

EXPLANATORY STATEMENT TO SHAREHOLDERS

PROPOSAL FOR THE RECAPITALISATION WINTECH GROUP LIMITED

(Subject to Deed of Company Arrangement)
(ACN 003 087 689)

IMPORTANT NOTICE

Shareholders should read this Explanatory Statement in full and if they have any questions, obtain professional advice before making any decisions in relation to the resolutions.

This Explanatory Statement includes information and statements that are both historical and forward looking. To the extent that any statements relate to future matters, Shareholders should consider that they are subject to risks and uncertainties. Those risks and uncertainties include factors and risks specific to the minerals processing industry as well as matters such as general economic conditions. Actual events or results may differ materially. None of the Company, its existing Directors, future Directors or their advisors can assure Shareholders about future outcomes.

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EXPLANATORY STATEMENT

1 Introduction

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Meeting. Capitalised terms in this Explanatory Statement are defined in Section 6 of this Explanatory Statement.

2 The Recapitalisation Proposal Resolutions

2.1 Background to the reconstruction of the Company

On 12 April 2011 the Company was placed into Administration pursuant to Section 436C of the Corporations Act.

At a meeting of Creditors held pursuant to Section 439A(1) of the Corporations Act on 26 May 2011, the Creditors resolved pursuant to Section 439C of the Corporations Act that the Company enter into a Deed of Company Arrangement (DOCA) to adopt a proposal presented to Creditors by ABEnergy Properties Pty Ltd, the sole secured creditor of the Company and an entity which was not related in any way to the Directors or Shareholders of the Company.

In June 2011 the Company and the Administrators executed a Deed of Company Arrangement which provides for certain payments of monies to the Creditors Trust and the issue of shares and options to be approved under Resolution 1 and Resolution 3 in the attached Notice of Meeting. The Company will not be released from administration unless Resolutions 1 and 3 approving the issue of shares to the Creditors Trustee and to the 2009 Convertible Note Holders and to ABEnergy are approved in full or there is evidence satisfactory to ABEnergy that the resolutions will be passed at the Meeting.

As part of the reconstruction and recapitalisation of the Company, it is intended that the Company will seek re-quotations of its shares on the ASX. To achieve this certain resolutions and other matters need to be complied with and consequently the additional Resolutions required are included as part of the Notice of Meeting.

2.2 Principal Features of the Recapitalisation Proposal Resolutions

The principal features of the Recapitalisation Proposal are set out below:

- 1) Issue of Shares to the Creditors Trustee and Shares and Options to the 2009 Convertible Note Holders, or to their nominees. This process enables all of the Company liabilities to unsecured creditors and 2009 Convertible Note Holders to be extinguished. This issue is dealt with by Resolution 1 and more information regarding this resolution (including information regarding related party issues) is set out at sections 3.3 and 4.2 of this Explanatory Statement.
- 2) Consolidation of the existing issued capital so as to reduce the number of Shares on issue to a more manageable number and so as to meet the ASX re-quotations requirement that all shares have a minimum threshold value of \$0.20. This is dealt with by Resolution 2 and more information regarding this Resolution is set out at section 3.4 of this Explanatory Statement.
- 3) Issue of Shares to ABEnergy Properties Pty Ltd or its nominees - in March 2011 the Directors of the Company entered into formal written agreements with ABEnergy for it or its nominees to provide monies to the Company which were intended to eventually convert into Shares. These agreements are legally binding on the Company and prior to the issue of Shares in accordance with their terms, the agreements provide for the approval by Shareholders as required under the Listing Rules. This is dealt with by Resolution 3 and further information regarding the agreement and the consideration received by the Company is set out at section 3.5 of this Explanatory Statement.
- 4) Approval of acquisition of Direct Nickel Pty Ltd by issuing Shares to the Direct Nickel Vendors and approval for the change in activities of the Company – the Company has been examining business opportunities since 2009 when its earlier investment ceased business. The Company has identified Direct Nickel Pty Ltd as an appropriate investment and proposes to acquire most or all of the shares in Direct Nickel Pty Ltd in exchange for issuing shares in the Company to the Direct Nickel Vendors. No cash will change hands. Indeed after acquisition of Direct Nickel Pty Ltd, the cash balances of the Company on a consolidated basis will be increased due to cash already held by Direct Nickel Pty Ltd. The Company and Direct Nickel Pty Ltd and the Direct Nickel Vendors have had no prior association and there are no related parties involved in this transaction. This proposed acquisition is contemplated by Resolutions 4 and 8 and further detail in this regard is set out at section 3.6 of this Explanatory Statement.
- 5) The Company intends to raise additional monies and specific approval for raising the first \$4 million is being sought now. This is dealt with by Resolution 5 and further detail in this regard is set out at section 3.7 of this Explanatory Statement.
- 6) The Company believes it appropriate to change its name to reflect its proposed new business and the proposed new name for the Company is Direct Nickel Limited. This is dealt with by Resolution 6 and further detail in this regard is set out at section 3.8 of this Explanatory Statement.
- 7) The Company wishes to amend its constitution to bring it into line with the Listing Rules and to reflect other changes brought about by changes to the Corporations Act. This is dealt with by Resolution 7 and information regarding the nature of the changes is set out at section 3.9 of this Explanatory Statement.

2.3 Overview of Direct Nickel

(a) Overview of Direct Nickel Pty Ltd

Direct Nickel Pty Ltd (“DNI”) is a privately held Australian minerals processing company established in 2005. Its activities have been centred on developing patented nickel laterite production technology.

DNI seeks to utilise this technology to position itself to be amongst the lowest cost global nickel producers and with a future nickel deposit base and production profile centred in Southeast Asia.

DNI has attracted shareholders who presently include:

- TECK Resources one of the largest mining companies in Canada;
- CSIRO an Australian Government body;
- Regency Mine PLC an AIM listed company and joint venture partner; and
- OzMinerals a major Australian resource company.

Direct Nickel has not yet earned processing revenue. It is however well advanced in negotiations for the acquisition of nickel deposits and interests to build commercial DNI processing plants which it will likely gain for little or no cost under farm in and joint venture arrangements, due to the perceived benefits of its technologies by others. One such transaction is an investment where DNI will have a 50% interest in a company which will hold shares in a company which intends to develop a nickel deposit in Mambare in PNG.

Direct Nickel's base business models recognise the volatility of all metal commodities and are based on a London Metal Exchange nickel price of US\$17,637/ tonne (US\$8.00 per lb.). This is some 30% lower than the average expected price in 2011 and approximately 19% below the forecast 2012 price.

Further detailed information for Shareholders about DNI and its processes is included as an Annexure 3 to this Explanatory Statement.

(b) Pricing of proposed Transaction

DNI has been successful in raising new capital over recent years which enables an arms length valuation to be identified of some \$85 million. This proposed transaction is being done at a small discount to the recent arm's length pricing for Direct Nickel shares and further information is set out in sections 4 and 5 of this Explanatory Statement.

Further information on the transaction and in accordance with ASIC regulatory guide 111 is included in Section 5 of this Explanatory Statement.

The Directors of DNI have communicated that they consider that, given stable market conditions, after listing on the ASX an increase in valuation is reasonable to reflect recent commercial milestones and the transformation of the entity to one listed on the ASX.

(c) Share capital structure

The capital structure of the Company will change after the implementation of the resolutions. The effect of the resolutions on the share capital structure of the company is set out in Annexure 1.

2.4 Statement of Financial Position

The statement of financial position of the Company and of Direct Nickel Pty Ltd is shown in Section 2.6.

2.5 Quotation of Ordinary Shares on ASX

The Company is already admitted to the official list of ASX, however, trading in the Ordinary Shares was suspended on 30 July 2009. Following the calling of this EGM, the Company will apply to ASX for re-quotation of the Ordinary Shares. Reinstatement to ASX is at the discretion of ASX and will be subject to compliance with ASX and Corporations Act regulatory requirements.

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2.6 Financial Position

The selected financial information in relation to DNi set out in this Section has been extracted from an internal financial statements of DNi for the 10 month period ended 30 April 2011, with subsequent adjustments as noted below.

The balance sheet for the Company has been prepared on the basis that the DOCA for the company had been effected, along with a reduction of capital offset against accumulated losses. The balance sheet for DNi is based on actuals as at 30 April 2011 including a mark to market for shares in listed companies effective as at 15 June 2011 and also reflecting the conversion of convertible notes in DNi on their terms, consistent with the DNi shareholder information in Annexure 1. DNi expenses or writes off all of its development expenditures and as a result losses are recorded. At the request of the ASX a column has been added to show a notional pro-forma including the impact of adding a maximum of \$4 million in cash but there is no certainty that this amount will be raised.

Statements of Financial Position

	The Company as at 31 Dec 2010	DNi as at 30 April 2011	Pro-Forma showing raising of of \$4 million
Current Assets			
Cash		\$ 2,012,764	▲\$ 5,612,764
Shares in listed companies		\$ 1,668,073	▲\$ 1,668,073
Receivables & Rental Bond		\$ 92,149	▲\$ 92,149
Total Current Assets	▲\$ -	\$ 3,772,986	\$ 7,372,986
Non Current Assets			
Licence acquisition costs		\$ 524,578	▲\$ 524,578
Plant & equipment		\$ 43,976	▲\$ 43,976
Other		\$ 1,361	▲\$ 1,361
Total Non Current Assets	▲\$ -	\$ 569,915	\$ 569,915
Total Assets	\$ -	\$ 4,342,901	\$ 7,942,901
Current Liabilities			
Trade & Other Payables	\$ 400,000	\$ 186,177	▲\$ 586,177
Mambare JV		\$ 294,599	▲\$ 294,599
Employee Provisions		\$ 254,022	▲\$ 254,022
Total Current Liabilities	▲\$ 400,000	\$ 734,798	▲\$ 1,134,798
Non-Current Liabilities			
Employee Provisions		\$ 36,780	▲\$ 36,780
Total Liabilities	▲\$ 400,000	\$ 771,578	▲\$ 1,171,578
Net Assets	<u>(\$ 400,000)</u>	<u>\$ 3,571,323</u>	<u>▲\$ 6,771,323</u>
Equity			
Issued Capital	\$ 100	\$ 16,714,288	▲\$ 24,094,388
Accumulated Losses	(\$ 400,100)	(\$ 13,142,965)	▲(\$ 17,323,065)
Total Equity	<u>(\$ 400,000)</u>	<u>\$ 3,571,323</u>	<u>\$ 6,771,323</u>

The above pro-forma illustration reflects solely the following entries :

- the effect of raising a possible further \$4 million by the Company less raising costs estimated at ten percent
- under accounting conventions the value transfer by DNi of approximately \$1 million to the other shareholders in the Company may have to be reflected in the Equity accounts and has been treated this way
- a notional accounting in the Equity accounts for the value of \$2.78 million of performance shares representing 3.39% of DNi allocated to the executive share account of DNi as shown on page 28 of this Explanatory Statement, but not yet issued as at April 30. This issue has been allowed for in the issue of shares in this Notice of Meeting and does not introduce any further dilution of shares in the Company.

3 General Meeting

3.1 Action to be taken by the Shareholders

In order to proceed with the Recapitalisation Proposal, the Company must convene a General Meeting of Shareholders for the purposes of passing the Resolutions in compliance with the requirements of the Listing Rules and the Corporations Act.

The Notice of Meeting convening the General Meeting is included at the front of this booklet. Shareholders are encouraged to attend and vote in favour of each of the Resolutions to be put at the General Meeting.

If a Shareholder is not able to attend and vote at the General Meeting, the Shareholder is encouraged to complete the proxy form at the back of this booklet and return it to the Company at the address stated on the proxy form not later than 48 hours before the time specified for the commencement of the General Meeting.

3.2 General Meeting Resolutions

There are 8 Resolutions to be put to the General Meeting.

Resolutions 1 to 5 and Resolution 8 are ordinary resolutions.

Resolutions 6 and 7 are special resolutions.

Some Resolutions will not have any effect unless other Resolutions are passed.

Certain voting restrictions are imposed in relation to some of the Resolutions as detailed in the accompanying Notice of Meeting under the heading "Voting Exclusion Statement".

A short explanation of each Resolution is set out in this Section 3.

3.3 Resolution 1A and 1B - Issue of Ordinary Shares to Creditors Trustee and to 2009 Convertible Note Holders

Approval is being sought under Listing Rule 7.1 for the issue of Ordinary Shares to the Creditors Trustee and Ordinary Shares and Options over Ordinary Shares to the 2009 Convertible Note Holders, the particulars of whom are set out in Annexure 1.

Listing Rule 7.1

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. The limitation is 15% of a company's capital in any 12 month period.

Listing Rule 7.1 provides that a company must not, without shareholder approval, subject to certain exceptions, issue during any 12 month period any equity securities, or other securities with rights of conversion to equity (such as convertible loans), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

As the proposed issues under Resolution 1 will result in an issue of more than 15% of the Company's capital in a 12 month period, Shareholder approval is required under Listing Rule 7.1 for the issue of Shares and the grant of the Options.

Accordingly, the Company is seeking the approval of Shareholders to:

- (a) issue to the Creditors Trustee a total of 50 million Shares, which will be distributed via the Creditors Trust to Creditors in proportions to be advised by the Trustees, to extinguish creditors liabilities of approximately \$1.4 million;
- (b) issue 80 million Shares to the 2009 Convertible Note Holders in exchange for conversion of the sum of \$1,050,000 (which the Company has already received in cash during 2009 and part of 2010); and
- (c) grant to the 2009 Convertible Note Holders, 80 million options entitling them to subscribe for 80 million shares at an exercise price of 2 cents per share, 60 million of which will have an expiry date of 26 December 2011, and 20 million with an expiry date of 21 May 2012.

All of these Ordinary Shares will, on issue, rank equally in all respects with the Ordinary Shares and all are prior to the effect of any consolidation of shares contemplated under Resolution 2. The final number of shares to be issued to the 2009 Convertible Note Holders is still to be confirmed by the Administrators so approval is being sought for the above number of shares to be issued. Every reference to Shares in this Resolution means Shares prior to any share consolidation of shares which may be effected by the Company. Additionally every reference to Options means prior to any share consolidation and in the event of a consolidation the number of shares to be issued to Option Holders will decrease by the consolidation ratio and the exercise price per share will increased by the inverse proportion of the consolidation ratio.

The following information is provided for the purposes of Listing Rule 7.3:

- (a) The maximum number of Shares to be issued under Resolution 1 is 130 million shares and options over a further 80 million shares.
- (b) The Shares and Options will be issued and allotted within five business days of the Meeting and in any event not later than three months of the date of the approval by shareholders;
- (c) For the issue to the Creditors Trustee, 50 million Shares will be issued at 2 cents per share and for the issue of the 80 million Shares and Options over a further 80 million shares to the 2009 Convertible Note Holders the aggregate sum received is \$1,050,000 at prices ranging from one cent per Share to two and a half cents per Share as set out in more detail in Annexure 1, which were the terms agreed to by the Directors at that time;
- (d) The allottees of the Options will be required to pay an exercise price of 2 cents per Share to exercise the Options, which were the terms agreed to by the Directors at that time; further details including expiry dates and other terms are set out in Annexure 1;
- (e) The names or particulars of the allottees (including the Creditors Trustee and 2009 Convertible Note Holders and the price at which the relevant 2009 Convertible Note Holders are acquiring Shares and Options) are set out in Annexure 1;
- (f) The Shares to be issued under Resolution 1 are ordinary fully paid shares which on issue will rank equally with the Ordinary Shares in the Company;

- (g) The classes of Options currently on issue and the relevant exercise prices and other essential terms of those Options are set out in Annexure 1;
- (h) The Shares and Options being issued under this Resolution are issued to repay Creditors of the Company and also to issue equity securities to holders of 2009 Convertible Notes. When those holders subscribed for the Convertible Notes, the funds received were used to fund the working capital needs of the Company in 2009 and up until the end of February 2011.

A voting exclusion statement is included in the Notice of Meeting.

Resolution 1B

Listing Rule 10.11

Shareholder approval for the issue of Shares to a related party is required under Listing Rule 10.11 unless one of the exceptions in Listing Rule 10.12 applies.

For the purposes of Listing Rule 10.11 and section 228 of the Corporations Act Mr Trevor Kelly, Mr King Chuen Chong and Mr Dato Jeyabalan Vijayasundram are related parties of the Company. They are each owed monies for Director fees and/or unreimbursed expenses and consequently are entitled to receive shares from the Creditors Trustee in the amounts described in section 4.2.

None of the exceptions in Listing Rule 10.12 apply to the transaction contemplated by Resolution 1. Accordingly, the company is seeking Shareholder approval for the issue of Shares to each of these three persons for the purposes of Listing Rule 10.11. This approval is being sought under Resolution 1B and no funds will be raised under this Resolution 1B..

The Shares and Options will be issued and allotted within five business days of the Meeting and in any event not later than one month of the date of the approval by shareholders

A voting exclusion statement is included in the Notice of Meeting.

3.4 Resolution 2 – Consolidation of Capital

The Company proposes to consolidate its existing issued capital in the Company in accordance with section 254H of the Corporations Act. Under section 254H of the Corporations Act, a company may convert all or any of its shares into a larger or smaller number of shares by resolution passed at a general meeting of the company.

Further, the Consolidation of the Company's capital will enable it to comply with Listing Rule 2.1 Condition 2, which is likely to be a pre-condition of its Shares being re-quoted on ASX. To achieve this, the Company's Share capital must be consolidated by reducing the existing number of Shares on issue (**Consolidation**).

The Directors propose to effect a consolidation such that the effective trading price per share will be approaching \$1.00 or more and consequently are proposing a consolidation ratio of 795:1 (the "proposed consolidation ratio"). The effect of this is that for every 795 shares held by a shareholder they will, after consolidation hold 1 share and this will apply equally to all shares presently on issue; to be issued under Resolution 1A and 1B and under Resolution 3.

Resolution 2 is an ordinary resolution. It proposes that the issued capital of the Company be altered by consolidating the Ordinary Shares and as a result the number of issued Shares will reduce in number.

Subject to the passing of Resolution 2, in accordance with Listing Rule 7.22, any Options on issue including those to be issued under Resolution 1A will be consolidated pro rata with the Consolidation of Shares and to preserve the parity of the exercise price, the exercise price of the Options will be amended in an inverse proportion to the Consolidation ratio.

Immediately after Consolidation, each Shareholder will hold the same proportion of the Company's capital in voting power as they held immediately before the Consolidation. Consequently, Shareholders are not disadvantaged by the consolidation.

Any fractional entitlements as a result of the consolidation will be rounded down to the nearest integer, that is the nearest whole number or to zero.

If ASX approval is obtained for re-quotations of the Company's Shares, then trading will recommence on the post-Consolidation basis. The indicative timetable is :

The last day for trading on a pre-Consolidation basis	5 Sept - Meeting day +1 business days
Trading (if relevant) on a deferred settlement basis of consolidated securities	6 Sept
Last day for registration of pre-consolidation transfers	12 Sept
Issue of notices to shareholders	13 Sept
Dispatch of holding statements	19 Sept
Normal Trading	20 Sept

3.5 Resolution 3 – Approval of issue of Shares to ABEnergy Properties Pty Ltd

Resolution 3 is an ordinary resolution. It seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of Shares to ABEnergy Properties Pty Ltd or its nominees in accordance with the terms of the Convertible Loan and Subscription Agreement ("CLSA") already entered into by the Company with ABEnergy Properties Pty Ltd on 15 March 2011. The funding for Creditors under the DOCA is also coming from advances under the CLSA and related agreements, so this resolution forms an essential part of the recapitalisation proposals.

If Resolution 1 and 3 are passed the number of shares expected to be issued is as set out in this Resolution 3. If Resolution 1 and 3 are not passed and the current DOCA is not implemented in full then the number of shares ABEnergy would be entitled to increase by twenty five per cent.

In either case if at any time up until the end of July 2019 any other shares or securities are subsequently issued at a more favourable price or on more favourable terms than ABEnergy must be compensated on a cash basis so that it has not paid more on a per share basis. This does not represent an option over any percentage of the capital of the Company. The Directors do presently foresee this occurring so are not seeking shareholder approval for this possibility in this Notice of Meeting.

As set out above, Listing Rule 7.1 provides that a company must not, without shareholder approval, subject to certain exceptions, issue during any 12 month period any equity securities, or other securities with rights of

conversion to equity (such as convertible loans), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

As the proposed issues under Resolution 3 will result in an issue of Shares which is more than 15%, Shareholder approval is required under Listing Rule 7.1 for the issue of the Ordinary Shares to ABEnergy Properties Pty Ltd or its nominees.

The following information is provided to Shareholders for the purposes of Listing Rule 7.3.

- (a) The Directors expect that the number of shares to be issued to ABEnergy will be four Shares for every one Share or Option of the Company on issue after allowing for issues under Resolution 1 and but excluding the issues in Resolutions 5 and 8. However if the DOCA is not implemented in full the number of shares to be approved to be issued under this Resolution 3 increases. The maximum number of shares for which approval is being sought under this Resolution is for 910 million shares even though it is possible less or more shares may be issued.
- (b) The Shares are expected to be issued and allotted within three months of the Meeting, most likely concurrent with the issue of shares under Resolution 8.
- (c) The aggregate issue price is \$400,000 in cash directly received or to be received by the Company as well as additional services provided and other amounts paid by ABEnergy. The total amount paid by ABE and its nominees in acquiring the shares is \$597,000 in which case the Company will have received 0.066 cents per share. ABEnergy has agreed it will accept a lesser number of shares provided the DOCA is implemented in full by 30 August 2011. These amounts are secured under the fixed and floating charge granted by the Company.
- (d) The names or particulars of the allottees are set out in Annexure 1.
- (e) The shares to be issued under Resolution 3 are ordinary fully paid shares which on issue will rank equally with all other Ordinary Shares in the Company on issue.
- (f) The Shares to be issued under Resolution 3 are issued in accordance with the terms of a Convertible Loan and Subscription Agreement entered into by the Company and ABEnergy Properties Pty Ltd on 15 March 2011. The funds are intended to be used to pay certain expenses of the Company incurred during 2011 and to be used by the Administrator of the Company for expenses and for the Creditors Trust.
- (g) A voting exclusion statement is included in the Notice of Meeting.

Section 611 of the Corporations Act

Resolution 3 contemplates the issue of Shares to ABEnergy and it is intended by ABEnergy that it convert the convertible securities to be held by it concurrent with the issue of shares to the Direct Nickel Vendors.

It is possible however that if Shares to be issued to the Direct Nickel Vendors are not issued or are not issued on a concurrent basis, then ABEnergy will be entitled to voting power in excess of twenty percent of the shares in the Company. Consequently Resolution 3 also seeks Shareholder approval required under Item 7 of section 611 of the Corporations Act for the acquisition by new shareholders of a Relevant Interest in the specified number of Shares upon the issue of those Shares.

Except as provided by Chapter 6 of the Corporations Act, section 606(1) of the Corporations Act prohibits a person from acquiring shares in a company if, after the acquisition, that person or any other person would have a relevant interest or voting power in excess of 20% of the voting shares in that company.

Item 7 of section 611 of the Corporations Act provides that section 606(1) of the Corporations Act does not apply to an acquisition of a relevant interest in the voting shares in a company if the company has agreed to the acquisition by resolution passed at a general meeting at which no votes are cast in relation to the resolution by the person to whom the shares are to be issued or by an associate of that person.

Under section 610 of the Corporations Act, a person's voting power is defined as the percentage of the total voting shares in the Company held by the person and the person's associates.

Upon the issue of Shares to ABEnergy, and in the absence of or pending the issue of Shares to the Direct Nickel Vendors, ABEnergy and its Associates may have a Relevant Interest in more than 20% of the Shares, so out of an abundance of caution the Company is seeking approval under item 7 of section 611 of the Corporations Act.

The Company is seeking Shareholder approval under Item 7 of Section 611 of the Corporations Act in respect of the Shares to be issued to ABEnergy or its nominees under Resolution 3 because these issue of securities may result in parties having a relevant interest in an aggregate of more than 20% of the voting shares in the Company once the Shares are issued.

As set out in the Voting Exclusion Statements in the Notice of Meeting and in accordance with the Listing Rules, ABEnergy and any Associates are precluded from voting on Resolution 3.

At the date of the Notice of Meeting, to the best of the knowledge of the Company, ABEnergy and its nominees did not hold any Ordinary Shares in the Company.

The following information is included in accordance with the requirements of Item 7 of section 611 of the Corporations Act and ASIC Policy Statement 74 to the extent it applies pursuant to ASIC Policy Statement 159.

1. Identity of Persons who will hold a relevant interest in the securities to be issued

If Resolution 3 is passed, the Shares are proposed to be issued to ABEnergy or its nominees as set out in Resolution 3 of this Explanatory Statement. ABEnergy is acting as nominee for super fund and other parties some of whom would not acquire a Relevant Interest. However ABEnergy and four individuals may be considered Associates as set out below.

2. Impact of the Transactions on the Voting Power in the Company's Shares

(a) Current voting power of ABEnergy and Associates

As at the date of the Notice of Meeting, ABEnergy and Associates do not have a relevant interest in any Shares and their voting power is nil.

(b) Voting power of the Direct Nickel Vendors after the issue of Ordinary Shares

Immediately after Resolution 3 has been passed ABEnergy and its Associates, being Vincent Sweeney, Rick Taylor, Richard Trevillion and Damian Pethica or parties associated with them, may have a relevant voting power of ninety five per cent. This relevant voting power will decrease to well below the twenty percent threshold after the issue of Shares contemplated by Resolution 8.

(c) Intentions as to the Future of the Company

The present intentions of the above parties are to support the recapitalisation of the Company and seek a mineral resources business to acquire as its future business. In this regard it is noted that:

- (i) The Company presently has no employees.
- (ii) There are no proposals whereby any property will be transferred between the Company and ABEnergy and its Associates.
- (d) Financial and Dividend Policies of the Company

The Company has no dividend policy and there is no immediate intention to change the financial or dividend policies of the Company.

- (e) Proposal is fair and reasonable

There are no associated shareholders and there are no associated Directors so no separate report is required to non-associated shareholders. The Directors have concluded that the Recapitalisation Proposals as set out in this Explanatory Statement are fair and reasonable for the reasons set out in the attached report at Section 5 of this Explanatory Statement.

3.6 Resolutions 4 and 8 – Approval of change in activities and issue of Shares to the Vendors of Direct Nickel Pty Ltd

Resolution 4

Resolution 4 is an ordinary resolution. Listing Rules Chapter 11 provides that if a company proposes to make a significant change to the nature or scale of its activities, it must notify the ASX of the proposed change and under Listing Rule 11.1.2 seek Shareholder approval of the proposed change.

As set out above, the proposed acquisition of DNi will amount to a change to the nature and scale of the Company's activities for the purposes of Listing Rule 11.1. In accordance with Listing Rules 11.1.2 and 11.1.3, the Company is required to obtain shareholder approval for the change as contemplated by Resolution 4.

Accordingly, Resolution 4 seeks the approval of Shareholders by way of ordinary resolution to change its activities to include activities that involve the mining, processing and sale of mineral products.

Resolution 8

Resolution 8 is an ordinary resolution. It seeks the approvals necessary for the Company to acquire at least an 80% interest in the Direct Nickel business. This acquisition (if approved) will be achieved by issuing Shares in the Company and providing them to the holders of shares in Direct Nickel Pty Ltd or those of the Direct Nickel Shareholders that accept the purchase offer (**Direct Nickel Vendors**). There is also an obligation in relation to future options as set out in Annexure 1. Whilst the Company anticipates purchasing all of the shares in Direct Nickel Pty Ltd, a minimum threshold of eighty per cent has been set as for taxation reasons this is the minimum acceptance acceptable to the Direct Nickel Vendors. Accordingly, if shareholders in Direct Nickel Pty Ltd holding at least 80% of the issued shares in Direct Nickel Pty Ltd do not agree to sell their shares to the Company, then the transaction will not proceed.

The Directors believe that the acquisition of Direct Nickel will establish the Company as an entity with a market capitalisation of circa \$100 million and with significant further potential growth. This amount is calculated solely from the historical valuation of Direct Nickel of circa \$85 million and the anticipated capital raisings to occur over the next six months. Further information on Direct Nickel is set out in Annexure 3.

The Company has not yet entered into formal agreements with the Direct Nickel Vendors, however, will do so with each Direct Nickel Vendor who accepts the Company's offer. The number of shares to be issued under each of the formal agreements will be as set out below and other terms will be usual and customary for a transaction of this nature.

Approval is being sought to issue the Direct Nickel Vendors in aggregate with 16.4 shares for every 1 share the Company has on issue based on the current number of Direct Nickel Shares. This Acquisition Ratio of 1:16.4 assumes that 100% of the Direct Nickel Vendors accept the offer for their shares. If prior to the issue of shares under this Resolution 8 the Company has raised more or less than the \$4 million referred to in Resolution 5 and/or, if Direct Nickel raises cash through new share issues, then the Acquisition Ratio will be adjusted to reflect these changed circumstances. If the acquisition Ratio is to be adjusted so that Shareholders in the Company benefit from a ratio, which is improved from 1:16.4, then the Company will not need to seek approval of Shareholders. If however the change in ratio would mean an increase in the number of shares to be issued to the Direct Nickel Vendors by more than ten per cent then the Company will seek approval from Shareholders before issuing the additional Shares.

Listing Rule 7.1

In order to complete the acquisition of the shares in Direct Nickel Pty Ltd, the Company will issue and allot Shares in the Company to the Direct Nickel Vendors. As set out above, Listing Rule 7.1 provides that a company must not, without shareholder approval, subject to certain exceptions, issue during any 12 month period any equity securities, or other securities with rights of conversion to equity (such as convertible loans), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

As the proposed issues to the Direct Nickel Vendors under Resolution 8 will result in an issue of which is more than 15%, Shareholder approval is required under Listing Rule 7.1 for the issue of the Ordinary Shares to the Direct Nickel Vendors.

The following information is provided to Shareholders for the purposes of Listing Rule 7.3.

- (a) This resolution is intended to provide the present holders of shares in Direct Nickel shares with a value of not less than \$82 million. Presuming the implementation of all other Resolutions including the raising of \$4 million by the Company prior to the allotment under this resolution and the implementation of the proposed consolidation ratio before the allotment under this resolution and after making allowance for possible new raisings in Direct Nickel of up to \$10 million then the maximum number of post-consolidation shares for which approval is being sought under this resolution is 110 million post consolidation shares. The exact number of shares to be issued will only be determined immediately prior to allotment after acceptances are received from the Direct Nickel Vendors.
- (b) The shares will be allotted and issued within three months of the Meeting.
- (c) The price to be paid for the shares is nil as the consideration is the issue of shares in accordance with the ratios as described above.
- (d) The names or particulars of the Direct Nickel Vendors are set out in Annexure 1.
- (e) The shares to be issued under Resolution 8 are ordinary fully paid shares which upon issue will rank equally with the Ordinary Shares in the Company on issue at that time.

- (f) No funds will be raised by the issue of shares under Resolution 8, as the shares will be issued in consideration for the acquisition of Direct Nickel Pty Ltd shares from the Direct Nickel Vendors.
- (g) The Resolution also involves the approval for the future grant of options in the Company, to recognize that Direct Nickel currently has an obligation to issue options. The options to be issued by the Company will be to provide options on equivalent terms and these are summarised in Annexure 1.
- (h) A voting exclusion statement is included in the Notice of Meeting.

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Section 611 of the Corporations Act

Resolution 8 also seeks Shareholder approval required under Item 7 of section 611 of the Corporations Act for the acquisition by new shareholders of a Relevant Interest in the specified number of Shares upon the issue of those Shares.

Except as provided by Chapter 6 of the Corporations Act, section 606(1) of the Corporations Act prohibits a person from acquiring shares in a company if, after the acquisition, that person or any other person would have a relevant interest or voting power in excess of 20% of the voting shares in that company.

Item 7 of section 611 of the Corporations Act provides that section 606(1) of the Corporations Act does not apply to an acquisition of a relevant interest in the voting shares in a company if the company has agreed to the acquisition by resolution passed at a general meeting at which no votes are cast in relation to the resolution by the person to whom the shares are to be issued or by an associate of that person.

Under section 610 of the Corporations Act, a person's voting power is defined as the percentage of the total voting shares in the Company held by the person and the person's associates.

As set out in Annexure 1 to this Notice, following the issue of Shares to the Direct Nickel Vendors, three Direct Nickel Vendors may have a Relevant Interest in 20% or more of the Shares.

The Company is seeking Shareholder approval under Item 7 of Section 611 of the Corporations Act in respect of the Shares to be issued to the Direct Nickel Vendors under Resolution 8 because these issue of securities may result in parties having a relevant interest in an aggregate of more than 20% of the voting shares in the Company once the Shares are issued.

As set out in the Voting Exclusion Statements in the Notice of Meeting and in accordance with the Listing Rules, each of the Direct Nickel Vendors and any Associates are precluded from voting on Resolution 8.

At the date of the Notice of Meeting, to the best of the knowledge of the Company, the Direct Nickel Vendors did not hold any Ordinary Shares in the Company.

The following information is included in accordance with the requirements of Item 7 of section 611 of the Corporations Act and ASIC Policy Statement 74 to the extent it applies pursuant to ASIC Policy Statement 159.

1. Identity of Persons who will hold a relevant interest in the securities to be issued

If Resolution 8 is passed, the Shares are proposed to be issued to the Direct Nickel Vendors as set out in Annexure 1. Three of those vendors, in conjunction with persons who may be considered to be Associates, may each hold a separate relevant interest.

2. Impact of the Transactions on the Voting Power in the Company's Shares

(a) Current voting power of the Direct Nickel Vendors

As at the date of the Notice of Meeting, the Direct Nickel Vendors do not have a relevant interest in any Shares and their voting power is nil.

(b) Voting power of the Direct Nickel Vendors after the issue of Ordinary Shares

Once all of the Shares referred to in this Notice of Meeting have been issued or granted, three Direct Nickel Vendors and their Associates may have a relevant voting power, as follows:

Drinkard Metalox Inc	27% voting power
Mr Julian Malnic	20% voting power
Mr Russell Debney	20% voting power

(c) Intentions as to the Future of the Company

The present intentions of the above Direct Nickel Vendors regarding the future of the Company, if the Resolutions in the Notice of Meeting are approved by Shareholders, are as follows:

- (i) To maintain Direct Nickel's ongoing business and operations as a subsidiary of the Company and make this the sole business undertaking of the Company.
- (ii) To seek to acquire nickel deposits directly or in conjunction with other parties so as to enable the Company to become a significant producer of Nickel
- (iii) To seek to appoint new Directors to the Company. Such Directors have not been determined but are likely to include Mr Malnic and Mr Debney, details of whom, their qualifications and relevant professional or commercial experience are set out in Annexure 1 to this Explanatory Statement.
- (iv) Except as set out in the previous paragraphs, the Direct Nickel Vendors have no present intentions to change the business of the Company, or to otherwise redeploy the fixed assets of the Company.
- (v) The Company presently has no employees. Direct Nickel employees will remain employed by Direct Nickel Pty Ltd.
- (vi) There are no proposals whereby any property will be transferred between the Company and the Direct Nickel Vendors or any person associated with the Direct Nickel Vendors other than the issue of shares as described.

(d) Financial and Dividend Policies of the Company

The Company has no dividend policy and there is no immediate intention to change the financial or dividend policies of the Company.

(e) Proposal is fair and reasonable

There are no associated shareholders and there are no associated Directors so no separate report is required to non-associated shareholders.

The Directors have concluded that the Recapitalisation Proposals as set out in this Explanatory Statement are fair and reasonable for the reasons set out in the attached report at Section 5 of this Explanatory Statement.

3.7 Resolution 5 - Approval to issue Ordinary Shares to raise additional capital

Resolution 5 is an ordinary resolution. The Company anticipates raising additional capital to fund the expansion of the Direct Nickel business during 2011. The amount to be raised is not yet finalised, but may be \$15 million. It is likely that this fund raising will commence before the meeting to approve this Resolution 5 is held. For the moment the Directors have determined to seek Shareholder approval to raise \$4 million. Regardless of any timing, as the amount to be raised would be in excess of 15% of the Company's share capital as approved by shareholders, under the Listing Rules a raising of this size requires approval by shareholders and this Resolution fulfils that purpose.

As set out above, Listing Rule 7.1 provides that a company must not, without shareholder approval, subject to certain exceptions, issue during any 12 month period any equity securities, or other securities with rights of conversion to equity (such as convertible loans), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

As the proposed issues under Resolution 5 will result in an issue of shares which is more than 15%, Shareholder approval is required under Listing Rule 7.1 for the issue of Ordinary Shares as part of the proposed capital raising.

The determination of the allottees under Resolution 5 is at the sole discretion of the Company however the allottees shall not be Related Parties of the Company. The Ordinary Shares will be issued either at once on the same date or progressively, but in any event will be issued no later than three (3) months after the date of the General Meeting.

The following information is provided to Shareholders for the purposes of Listing Rule 7.3.

- (a) The number of shares to be issued will be such that the aggregate number of shares to be issued on receipt of \$4 million will not, after their issue, exceed four and a half million shares on a post consolidation basis.
- (b) The shares will be allotted and issued under Resolution 5 within three months of the Meeting. Allotment will occur progressively as and when allottees are identified.
- (c) The issue price payable for the shares under Resolution 5 will be a minimum of \$0.90 per share.
- (d) The allottees under Resolution 5 are not yet identified but will be applicants under a private placement or a Public Offer by way of prospectus. None of the allottees will be Related Parties or Associates of the Company. Allotment will occur progressively as and when allottees are identified.

All shareholders that intend (or have associates that intend) to subscribe for any shares pursuant to Resolution 5 should abstain from voting on Resolution 5.

- (e) The shares to be issued under Resolution 5 are ordinary fully paid shares which upon issue will rank equally with the Ordinary Shares in the Company on issue.
- (f) Funds raised will be used to meet the needs of the Direct Nickel business, including building its ore test plant in Perth and to acquire nickel deposits and develop nickel projects. If the Direct Nickel transaction does not proceed any funds raised will be used to invest in other resource based companies.
- (g) A voting exclusion statement is included in the Notice of Meeting.

3.8 Resolution 6 – Change of Name

Resolution 6 is a special resolution. It seeks Shareholder approval to change the name of the Company to Direct Nickel Limited.

The adoption of the new name under Resolution 6 is to be approved by Shareholders under section 157 of the Corporations Act. The change in name recognises the proposed acquisition by the Company of Direct Nickel Pty Ltd. The change of name will take effect on the day that ASIC approves the changes of name and does not affect the legal status of the Company.

3.9 Resolution 7 – Modify constitution

Resolution 7 is a special resolution. It seeks Shareholder approval to adopt the changes set out in Annexure 2. The adoption of Annexure 2 is to be approved by Shareholders under Section 136(2) of the Corporations Act.

If Resolution 7 is approved, the adoption of Annexure 2 items into the Constitution will take effect on and from the date that Resolution 7 takes effect. A copy of Annexure 2 is attached to this Explanatory Statement. The rights and liabilities of shareholders of the Company will not be affected by this amendment to the Constitution. The amendment is considered necessary to ensure that the Company's constitution is up to date with the requirements of the Listing Rules and recent changes to the Corporations Act.

3.10 Resolution 8 – see section 3.6

3.11 Resolution 3 – Additional approval under the Corporations Act

4 Other Important Information For Shareholders

4.1 Scope of Disclosure

The Corporations Act requires that this Explanatory Statement sets out information that is reasonably required by Shareholders in order to decide whether or not it is in the Company's interests to pass the Resolutions.

The Company is not aware of any relevant information which would materially affect the decision on how to vote on the Resolutions, other than as is disclosed in this Explanatory Statement or previously disclosed to Shareholders including by notification to the ASX.

4.2 Voting Intentions and Interests of Existing Directors

The Existing Directors of the Company are set out in the table below. At the date of this Explanatory Statement, the Existing Directors intend to vote all shares they hold in favour of the Resolutions (other than Resolution 1B, in which they have a personal interest) set out in the Notice of Meeting.

Except as otherwise disclosed in this Notice of Meeting and Explanatory Statement, the Existing Directors have no interest in the outcome of the Resolutions (other than Resolution 1) except as Shareholders of the Company. In this regard, the table below sets out the details of the shareholdings held (directly or indirectly) by the Existing Directors and their Associates in shares in the Company.

Additionally as the Directors are owed monies in relation to fees or loans or un-reimbursed expenses to the Company, under the administration process and DOCA, they are being allocated a combination of cash and shares

towards satisfaction of those amounts. In this regard they are being treated identically with other unsecured creditors and the number of additional shares to be issued to them is also shown in the table below.

Name of Existing Director	Number of Existing Fully Paid Shares Held	Maximum Additional Shares to be acquired under Resolution 1
Trevor Kelly	NIL	1,037,500
Vijayasundram Jeyabalan	NIL	747,000
King Chuen Chong	1,800,000	2,913,300
Total		4,697,800

Except in respect of Resolution 1B, in which the Directors make no recommendation due to their personal interest in the outcome of Resolution 1B, the Directors recommend that in the context of the Company's current circumstances and given the Creditors' prior approval of the Recapitalisation Proposal, that Shareholders should accept the Recapitalisation Proposal and approve all the Resolutions to be put to the General Meeting. However, Shareholders should decide how to vote based on all the matters set out in the Explanatory Statement.

4.3 Taxation

The Recapitalisation Proposal may give rise to income tax implications for Shareholders.

Shareholders are advised to seek their own taxation advice on the effect of the Resolutions on their personal position and neither the Company, the Directors nor any other party accepts any responsibility for any individual Shareholder's taxation consequences on any aspect of the Recapitalisation Proposal.

4.4 Effect of the Recapitalisation Proposal on existing Shareholders

For the purposes of this Explanatory Statement, the following information is provided for consideration by the Shareholders.

The Company's shares were last traded on ASX on 30 July 2009 and the Company was placed into Administration on 12 March 2011. Previous historic ASX share trading prices for the Company are not considered a reliable basis to assess the value of the Ordinary Shares.

Due to the Company's current state of affairs, its accumulated losses and absence of assets or any lack of underlying business, maintainable earnings are not considered a reliable basis to assess the value of Ordinary Shares.

The Administrators of the Company estimate on a liquidation basis, there is a deficiency of funds in excess of \$2 million and the Creditors would receive a nil return. Therefore, on a liquidation basis, the Shareholders return from the Company will be nil.

The advantages of passing the Resolutions and subsequent completion of the Recapitalisation Proposal include:

- Extinguishment of all the Company's existing liabilities (by conversion into shares or otherwise).
- The net asset backing of each Share could be expected to increase.
- The acquisition of Direct Nickel and participating in its prospective growth.
- The likely reinstatement to official quotation of the Shares on ASX. By obtaining reinstatement to trading of the Company's Shares, the Shareholders will be offered the opportunity to trade Shares on ASX.

The principal disadvantage to Shareholders is that their Ordinary Shares will be significantly diluted due to the issue of Ordinary Shares, pursuant to the Resolutions. However, this must be balanced with the fact that their Ordinary Shareholdings currently have nil value and the fact that, should the Recapitalisation Proposal not proceed, the Company could be placed into liquidation. Following completion of the Recapitalisation Proposal, their reduced shareholdings would have value based on holding shares in an active company and the return to liquidity through re-quotation on the ASX.

4.5 Indicative Value of Ordinary Shares

The quantum of benefit to be received by the holders of the shares proposed to be issued pursuant to Resolutions 1 and subsequent Resolutions will depend in part on the price at which Ordinary Shares may trade on ASX.

As the Company is currently suspended from ASX, there is no readily available market price for the Company's Shares. Accordingly, the "net assets on a going concern basis" is usually appropriate in assessing value. In this respect as the Company is in administration and has a book deficiency in net assets of more than \$2 million, then in the absence of the Recapitalisation Resolutions being passed the value of the shares in the Company is nil.

However, if the Resolutions are passed, the most likely indicator of the value of a post consolidation share can be seen from the present value of the Direct Nickel Pty Limited shares as outlined elsewhere in this Explanatory Statement, and the acquisition of Direct Nickel will increase the value of shares held by all shareholders.

4.6 Secured Creditor and release

On 15 March 2011 the Company entered into a convertible loan and subscription deed with ABEnergy Properties Pty Ltd or its nominees to procure advances. The Company provided a Fixed & Floating charge over all its assets to secure the advances. This charge had stamp duty levied and paid in NSW and was registered with ASIC, within required time periods.

The secured creditor intends to release the charge after all the Resolutions in the Notice of Meeting have been passed and the present Directors have offered their resignations. The amount owing to the secured creditor(s) will be able to be converted into shares as contemplated under Resolution 3 and ABEnergy Properties Pty Ltd has advised the Company it is intended that after approval under Resolution 3 all amounts owing will be converted into shares concurrent with the proposed issue of shares to the Direct Nickel Vendors under Resolutions 4 and 8.

4.7 ASIC and ASX

The fact that the accompanying Notice of Meeting, this Explanatory Statement and other relevant documentation has been received by ASX and/or ASIC is not to be taken as an indication of the merits of the Recapitalisation Proposal or the Company. ASIC, ASX and its respective officers take no responsibility for any decision a Shareholder may make in reliance on any of that documentation.

5 Directors' Report to Shareholders on Control Transactions

Corporations Act section 611 permits transactions of the type proposed under Resolution 8 where one or more parties may acquire an interest of 20% or more in a public company, provided it is approved by shareholders in general meeting.

As part of the explanatory statement for any such meeting ASIC regulatory guide 111 requires shareholders to be provided with information as to whether the transaction is fair and is reasonable. As this transaction does not involve any related parties, then the Directors are permitted to provide this information.

Assessment of Transaction

ASIC Regulatory Guide 111 at 111.11 sets out the long standing convention that the key determinant of whether an offer is fair is whether the value being received by Company shareholders for their securities is equal to or greater than the present value of the securities. The Directors have considered this and provide the following information for shareholders.

Current Value of Company Shares

The Company has had its shares suspended from trading on the ASX for 31 months of the past 34 months and no shares have traded on the ASX since July 2009. The last traded price on the ASX was 2.5 cents per share. There is clearly no active market for the shares and as a consequence they are unable to be sold, suggesting they have limited value.

Securities convertible into shares have been issued since August 2009. The prices at which the securities convertible into shares have been issued are as follows:

Aug 2009	2 cents per share with the added benefit of 15% interest p.a. and 2:1 options
Oct 2009	1 cent per share but with the added benefit of 15% interest p.a. and 1:1 options
Dec 2009	2.5 cents per share but with the added benefit of 15% interest p.a.
Mar 2010	2 cents per share but with the added benefit of 15% interest p.a. and 2:1 options
Mar 2011	0.066 cents per share with no options under the ABEnergy Pty Ltd agreements.

As can be seen the price per share has declined from the thin last traded price of 2.5 cents per share in July 2009, to an amount in March 2011 of 0.066 of a cent per share – that is one fifteenth of one cent per share.

Since March 2011 there has been further deterioration in the value of the Company shares.

In particular, the Company has been placed into administration. There is a secured charge over the Company and its present or future assets. The liabilities exceed assets by some \$2 million indicating the shareholders are left with nil value for their shares. Only one proposal was received by the Administrator which was considered capable of being completed.

The Report to Creditors by the Administrators dated 18th May 2011 advised that there would be no return to shareholders in the absence of creditors and shareholders approving the Reconstruction Proposals which are now the subject of this meeting.

In the view of the Directors the fair value of the existing shares in the Company in the absence of the approval of the Reconstruction Resolutions, is nil.

Value of consideration to be received for Company shares

The value to be received by shareholders in exchange for issuing the shares which provide control is to be measured by the value of the shares in Direct Nickel which are to be received.

There are several established practices by which the value of the Direct Nickel shares may be determined. These include the discounted value of future earnings, which the directors of DNi consider to be a significant number; net asset value as disclosed in the DNI financials; or the evidence from transactions with arms lengths parties.

The Directors consider that the evidence of what arms-length parties have been paying for shares in Direct Nickel is the most appropriate method for determining an indicative valuation of the shares in Direct Nickel.

The date, amount and price per share at which DNi has raised capital in recent years via Information Memorandum and from sophisticated and corporate investors is as follows:

July 2008	\$4.0 million	at \$5.01 per share
January 2010	\$1.0 million	at \$5.60 per share
February 2010	\$3.0 million	at \$4.57 per share
December 2010	\$0.4 million	at \$5.72 per share
April 2011	\$0.7 million	at \$5.09 per share
May 2011	\$6.0 million	at \$5.77 per share

Based on the above capital structure, and the 14,689,591 issued securities on issue, or to be issued, the valuation of DNI, based on the recent arms-length transactions which demonstrate a price of \$5.77 per share as being reasonable, shows DNi could be valued at \$5.77 x 14,689,591 shares = \$84.76 million.

Since early 2010 DNi has continued to make significant advances – most notably the successful demonstration of critical parts of its processes as described in Appendix 3.

Under the proposed transaction and presuming 100% of the shares Direct Nickel are acquired by the Company, then the shareholders of the Company existing after the passing of Resolutions 1 and 3 will receive a proportional interest in Direct Nickel due to their holding in the combined entities. This represents a value of approximately \$1 million as the consideration being received by the shareholders in the Company both for the issue of the shares and as additional consideration as a control premium.

Conclusion

The evidence available to the Directors indicates that the existing value of the present Shares in the Company in the absence of approving the issue of shares to Direct Nickel Vendors is nil. In comparison, the consideration being received from the Direct Nickel Vendors for approving the issue of shares is greater than nil.

In addition, should it be relevant, the consideration being received by present Shareholders for the issue of Shares to ABEnergy is greater than nil.

ASIC Regulatory Guide 111 at paragraph 111.11 sets out the long standing convention that if the value of the consideration being received by Company shareholders for their securities is equal to or greater than the value of the securities, then the offer is fair. This is the circumstance which now exists. As noted in paragraph 111.12 of the regulatory guide, an offer is also reasonable if it is fair.

The Directors have considered all the above information in reaching their recommendation to shareholders to proceed with the proposed transactions as being fair and reasonable.

6 Definitions

In this Explanatory Statement:

2009 Convertible Note Holders	means the holders of notes with face values totaling \$1,050,000 and set out in Annexure 1
ABEnergy	means ABEnergy Properties Pty Ltd
AEST	means Australian Eastern Standard Time
Administration Date	means 12 March 2011, the date on which the Administrators were appointed, or taken to be appointed, as administrators of the Company pursuant to section 436C of the Corporations Act
Administrators	mean Glenn Franklin and Stirling Horne of Lawler, Draper Dillon in Melbourne, jointly and severally, in their capacity as administrators of the Company
Admitted Creditor	means any person with a claim that has been accepted by the Administrators
ASIC	means the Australian Securities and Investments Commission
Assets	means all property, receivables, rights, cases in action and other assets of whatever kind and wherever situated of the Company
Associate	has the meaning set out in sections 11 to 17 of the Corporations Act
ASX	means ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange.
Available Property	means the property of the Company
Board	means the board of directors of the Company from time to time
Business Day	means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day
Consolidation	means the consolidation of the existing issued capital of the Company as detailed in Resolution 2 and the explanations the Explanatory Statement
Company	means Wintech Group Limited
Constitution	means the constitution of the Company
Corporations Act	means the Corporations Act 2001
Creditor	means any person having a claim against the Company, other than a secured creditor
Creditors Trust	means a trust created in accordance with the DOCA
Creditors Trustee	means the Trustees of the Creditors Trust
Creditors Trust Deed	means the creditors trust deed governing the Creditors Trust
Deed Administrators	means the Administrators
Deed of Charge	means the deed of charge dated 15 March 2011 between the Company and ABEnergy Properties Pty Ltd
Direct Nickel or DNi	means Direct Nickel Pty Ltd ACN 117 101 390.
Direct Nickel Vendors	means the vendors set out in the schedule at Annexure 1
DOCA or Deed of Company Arrangement	means a Deed of Company Arrangement executed between the Deed Administrators and the Creditors
Director(s)	means Directors of the Company at the date of this Notice
Shareholder	means the holder of an Ordinary Share
Explanatory Statement	means the Explanatory Statement accompanying the Notice of Meeting.
General Meeting	means the general meeting of the Shareholders convened for the purposes of

	considering the Resolutions
Listing Rules	means the Listing Rules of the ASX
Notice of Meeting	means the notice convening the General Meeting accompanying this Explanatory Statement
Official List	means the official list of the ASX
Option	means an option to acquire a Share in the Company
Post consolidation share	means any Share after the capital consolidation in Resolution 2
Pre consolidation share	means any Share prior to the capital consolidation in Resolution 2
Professional Investors	has the meaning as set out in section 708(11) of the Corporations Act
Prospectus	means any prospectus to be issued by the Company
Public Offer	means any offer of shares in the Company
Recapitalisation Proposal	means the proposal for the recapitalisation of the Company as described in this Explanatory Statement
Record Date	means the date and time 48 hours before the General Meeting
Related Party	means a party so defined by section 228 of the Corporations Act
Relevant Interest	has the meaning given in section 608 of the Corporations Act
Resolution	means a resolution to be considered at the General Meeting as contained in the Notice of Meeting
Section	means a section of this Explanatory Statement unless referring to the Corporations Act
Share(s)	means an ordinary share in the Company
Shareholder	means a shareholder of the Company
Trust Assets	means the assets of the Creditors Trust
Trustees	means Glenn Franklin and Stirling Horne in their capacity as trustees of the Creditors Trust
Vendors	the Direct Nickel Vendors

ANNEXURE 1

IDENTITY OF PARTIES FOR RESOLUTIONS

RESOLUTION 1 – ISSUE OF SHARES AND OPTIONS TO CREDITORS TRUST & CONVERTIBLE NOTE HOLDERS

Creditors Trust

50 million shares are to be issued to Glenn Franklin and Stirling Horne of Lawler, Draper Dillon in Melbourne, jointly and severally in their capacity as Trustees of the Creditors Trust and for distribution to approximately 38 creditors in proportions to be determined by the Trustees. The Creditors Trust beneficiaries include:

Binh Hung Huynh	Michael Riabkoff
Byron Ross Hodges	Murray Gerkens
Subbiah Lakshmanan	Rock It Consulting Pty Ltd
Chia Hung Tsao	Shinewing McBain Pty Ltd
King Chuen Chong	Tai Luong
Clyne Partners	Telstra
Deputy Commissioner Taxation	The CFO Solution
Enviro Lighting Pty Ltd	Tieu Phung Truong
FCG Legal Pty Ltd	To Luong
Fong Ling Tseng	Vijayasundram Jeyabalan
Grandcity Travel Pty Ltd	VPM Services Pty Ltd
Jewel Ocean Pty Ltd	Web Central
Trevor Kelly	William Buck Audit (Vic) Pty Ltd
Kings International Enterprises Pty Ltd	William Buck (Vic) Pty Ltd
Lander & Rogers Lawyers	Kim Wong
Leydin Freyer Corporate Pty Ltd	
Minter Ellison	

2009 Convertible Note Holders

Note Holder	Date of Issue	Cash Received (\$)	Price per share (\$)	Shares to be Issued	Options to be Issued
Bryan Ross Hodges	26/08/2009	200,000	0.0200	10,000,000	20,000,000
Tieu Phung Truong	19/10/2009	200,000	0.0100	20,000,000	20,000,000
Tommy Luong	19/10/2009	200,000	0.0100	20,000,000	20,000,000
Binh Hung Huynh	18/12/2009	100,000	0.0250	4,000,000	Nil
Bryan Ross Hodges	18/12/2009	50,000	0.0250	2,000,000	Nil
Chia Hung Tsao	18/12/2009	100,000	0.0250	4,000,000	Nil
To Luong	21/05/2010	200,000	0.0100	20,000,000	20,000,000
Total		1,050,000		80,000,000	80,000,000

RESOLUTION 3 – ALLOTTEES OF CONVERTIBLE SECURITIES TO ABENERGY PROPERTIES PTY LTD AND/OR NOMINEES

These monies are largely still to be received and the Company has been advised by ABEnergy that the monies will come from clients of Sydney Capital Partners.

RESOLUTION 5 – ALLOTTEES OF FUTURE ISSUE OF SHARES

This refers to the proposed raising of up to \$4 million and these monies have not yet been received, but the Company intends that new shares will be offered to existing shareholders of Direct Nickel, shareholders of the Company and will otherwise be raised by Sydney Capital Partners via brokers or via private placement.

RESOLUTION 8 – ALLOTTEES OF SHARES TO DIRECT NICKEL PTY LTD SHAREHOLDERS

Shares to be allocated to the Direct Nickel Vendors, based on the current number of Direct Nickel Shares will be allocated in the proportions as shown in the table below. The Executive Share Account allocation is, for the purposes of the Notice of Meeting, being treated as allotted even though they are not yet allocated to individual executives.

Shareholder	%
The Bain Family Super Fund	0.08%
Chevalier International Holdings Limited	0.69%
CSIRO	0.49%
Drinkard Metalox Inc.	27.23%
Graham Brock	3.12%
Huntly Properties Pty Ltd	1.00%
Ian Warden	0.80%
Julian Oliver Malnic	20.53%
Oz Minerals Limited	1.22%
Piماغ Pty Ltd	2.40%
Regency Mines plc	7.08%
Richard Carlton	4.35%
Roberts Development Super Fund	1.00%
Russell Stuart Debney	20.53%
Taurus Super Fund	0.42%
Teck Cominco Limited	5.43%
Turtle Productions Pty Ltd	0.24%
Executive Share Account	3.39%
Total	100%

RESOLUTION 1 – OPTIONS

There are currently 6 million Options over Shares on issue to a former employee of the Company who is not participating in any other issue under this EGM notice, which are exercisable at a price of \$0.25 per Share, on or before 31 December 2011. If all of these Options were to be exercised the sum of \$1.5 million would have to be paid to the company by 31 December 2011.

Resolution 1 seeks approval for the issue of 80 million Options to the parties set out in the above table of 2009 Convertible Note Holders. The exercise price is \$0.02 per Share, on or before 26 December 2011, and in one case \$0.02 on or before 21 May 2012. If all of these Options were to be exercised the sum of \$1.2 million would have to be paid to the Company by 26 December 2011 and a further \$0.4 million to be paid by 21 May 2012.

Direct Nickel Pty Ltd does not presently have any options on issue but in early January 2011 entered into contractual obligations to issue options not later than 31 December 2011.

The terms of the DN_i option obligations are such that the options holders are entitled to invest the following sums at the following prices at the following dates:

- Tranche 1 - \$333,333 with an exercise price at a premium of 15% to the effective price of DN_i shares in this transaction, by 5 July 2013
 - Tranche 2 - \$333,333 with an exercise price at a premium of 25% to the effective price of DN_i shares in this transaction, by 4 July 2014
 - Tranche 3 - \$333,334 with an exercise price at a premium of 35% to the effective price of DN_i shares in this transaction, by 3 July 2015
- or alternatively if any other party is offered shares or securities on more favourable terms after early January 2011 then the terms and number of securities above shall be changed or increased to be on no less favourable terms.

These options are to be issued to superannuation fund and/or other clients of Sydney Capital Partners. It is proposed that after the acquisition of DN_i, the Company will issue options on equivalent terms. They will also contain terms as set out in ASX Listing Rules 6:14 to 6:13 and ASX Listing Rule 7:22 as set out below.

RESOLUTIONS 1 to 8 – Capital Structure

The exact number of shares which will be on issue if all resolutions are passed will depend on the amount of capital raised, but should all resolutions proceed and should Direct Nickel raise additional funds as set out in Section 3.6 then the number of Ordinary Shares may change as follows :

Resolution :	Authorised number million
Present number of shares & options on issue	57.3
Maximum number of Shares authorised by interdependent Resolutions 1 and 3	1,040.0
Options to be issued under Resolution 1	<u>80.0</u>
Maximum number of authorised shares & options after Resolutions 1 to 4	1177.3
Maximum number of authorised shares & options after consolidation	1.5
Maximum new shares authorised under Resolution 5	4.5
Maximum new shares authorised under Resolution 8	<u>110.0</u>
Maximum number of shares & options authorised to be on issue Sept 2011	116.0

Any reference to options above relates to options over ordinary shares prior to any share consolidation to be adopted.

In addition to the exercise price and expiry date for options set out above any options issued or to be issued above will contain terms as set out in ASX Listing Rules 6:14 to 6:13 and ASX Listing Rule 7:22 as follows :

- (a) The rights of the option holder will be changed to the extent necessary to comply with the listing rules applying to a reorganisation of capital at the time of reorganisation this includes that on a consolidation of capital or sub-division of capital or pro-rata cancellation of capital the number of options will be adjusted by the same ratio to ordinary shares and the exercise price adjusted in the inverse proportion. In the event of a return of capital the number of options remains the same but the exercise price is reduced; in a reduction of capital the number and exercise price remains unchanged; exercise price and number reduction of capital
- (b) the terms of the option do not grant the holder a right to participate in new issues without first exercising the options except as below
- (c) the terms will provide that in the event of a pro-rata issue the exercise price will be reduced on a proportional basis with any discount from the 5 day VWAP offered to ordinary shareholders and in the event of a bonus issue then the number of options increase in the same proportion as shareholders entitlement to bonus shares.

RESOLUTION 8 – QUALIFICATIONS & RELEVANT PROFESSIONAL OR COMMERCIAL EXPERIENCE OF LIKELY NEW DIRECTORS

Julian Malnic

Julian Malnic is a professional geologist, having graduated with a Bachelor of Science (Hons) in 1978.

In an unusually diverse career, he has worked as an exploration geologist, an award-winning mining journalist and industry commentator, and over the last decade-and-a-half as a company builder and entrepreneur in mining industry innovation. He is founding CEO of world leading marine minerals pioneer Nautilus Minerals Inc., which is listed on the London AIM and TSX exchanges. Through Julian's initiating efforts in PNG, Tonga and Fiji, Nautilus is now the holder of 420,000 square kilometres of prime seafloor tenements. Julian was recognised for his efforts in 2006 when Nautilus received the *Mining Journal Pioneering Award* given at Mines & Money in London.

Mr Malnic is the founding Chairman of the Sydney Mining Club and was instrumental in starting the Brisbane, Melbourne, Oriental (Beijing) and Asia (Hong Kong) Mining Clubs based on the same innovative model that has seen the Sydney Mining Club grow steadily for more than 12 years. These clubs are the pre-eminent exploration and mining industry speakers' forums in Australia.

Founder and currently Executive Chairman of Direct Nickel Pty Ltd, Mr Malnic is also Chairman of alternative energy start-up company Echidna Energy.

Russell Debney

Russell Debney is a qualified commercial and corporate lawyer having been first admitted to practise in 1971. His legal career includes serving as Chief Executive in Sydney of Sly & Weigall, an Australian national law firm that later became Deacons and more recently, Norton Rose.

Mr Debney is a non-executive Director of Nautilus Minerals Inc., a public company listed on both the Toronto Stock Exchange and the London Stock Exchange (AIM). On that board he serves as Chairman of the Audit Committee and as a member of the Appointments and Remuneration Committee. Mr Debney was Chairman of the Board of Directors of Nautilus Minerals Niugini Limited and Nautilus Minerals Oceania Limited prior to the acquisition of those companies by Nautilus.

Mr Debney's prior roles include having been a director and Senior Vice President of the Global Engineering Group, a world leading offshore oil and gas engineering company for almost 15 years. Mr Debney is currently a director and Chief Executive Officer of Direct Nickel Pty Ltd. He is a Fellow of the Australian Institute of Management.

ANNEXURE 2

Amendments to be adopted into the Company's Constitution.

The following items are to be adopted into the Company's Constitution:

Listing Rule / Sch Business Rule	Purpose / Description	Text to insert into Constitution
8.17	Registry offices to remain open.	<p>8.8 Closing Register</p> <p>Subject to the provision of the Corporations Act, the Listing Rules and the ASX Settlement Rules, the Register may be closed anytime the Board thinks fit.</p>
11.2	Disposal of main undertaking requires approval of holders of ordinary securities.	<p>23.6 Disposal of Main Undertaking</p> <p>While the Company is admitted to the Official List of the ASX, any sale or disposal of the Company's main undertaking is conditional upon approval or ratification by the Company in general meeting. No person who may benefit (other than as a holder of Securities issued by the Company) from the sale or disposal, and no associate of such person, may vote on any resolution to approve or ratify the sale or disposal.</p>
ASTCSR 5.10	Non-issue of certificates.	<p>3.10 The Company need not issue certificates</p> <p>Notwithstanding any other provision in these rules, when the Company is admitted to the Official List of the ASX the Board may determine not to issue a certificate without issuing any certificate in its place, if that determination is not contrary to the Corporations Act or the Listing Rules or the ASTC Settlement Rules or is required by Listing Rules or the ASTC Settlement Rules.</p>

ANNEXURE 3

Information on DNi provided by Directors of DNi for this EGM notice

1 The Direct Nickel Business

Direct Nickel Pty Ltd (“DNi”) is a privately held Australian minerals processing company established in 2005. DNi seeks to position itself among the lowest cost nickel producers with a growing nickel deposit base and production profile centred in South East Asia. DNi intends to achieve this by using its patented laterite processing technology. DNi presently has offices in Sydney and Perth as well as technical facilities in Perth and shared facilities in the USA.

1.1 Direct Nickel Overview

A business model to create a world-class nickel company with strong growth potential

DNi does not presently have any registered tenement holdings but intends to build a portfolio of available “stranded” nickel deposits primarily based in Asia Pacific which are suitable for the DNi processing method.

Ideally positioned to capitalise on the emerging demand driven deficit in nickel

DNi views global nickel demand as primarily driven by China where demand is forecast to outpace a dwindling supply of global nickel deposits suitable for production.

DNi intends to build a nickel deposit portfolio to support an aggregate production capacity of 150,000 to 200,000 tonnes pa which it believes, when fully operational, would position it to be one of the largest nickel producers in Asia Pacific and in the top 5 of the world, based on 2009 industry production. This will be achieved through the exclusive control of the DNi Process and the acquisition of nickel deposits at low cost (or nil cost in strategic Joint Ventures).

DNi is evaluating more than 10 projects with a potential of over 30 million tonnes of contained nickel. Some projects have progressed to advanced discussions.

Intending to become one of the lowest cost nickel producers

The capital costs of the DNi Process are expected to be approximately half those of comparable laterite processes (such as High Pressure Acid Leaching and ferro nickel).

The DNi proprietary process recycles key reagent chemicals enabling significantly lower operating cost and a more environmentally friendly and sustainable process.

Opportunity to significantly grow its nickel deposit base for minimal cost

The strategy is to acquire significant equity interests in nickel laterite projects through low cost acquisitions and by joint venture arrangements with existing nickel deposit owners by licensing the project to use the DNi Process in exchange for a share of the nickel deposit project.

Highly credible industry and strategic investors

DNi has developed alliances with Teck Resources, Aker Solutions and Australia’s Commonwealth Scientific and Industrial Research Organisation (CSIRO). Regency Mines plc (AIM:RGM) is a strategic investor and a joint venture partner.

1.2 Strategy

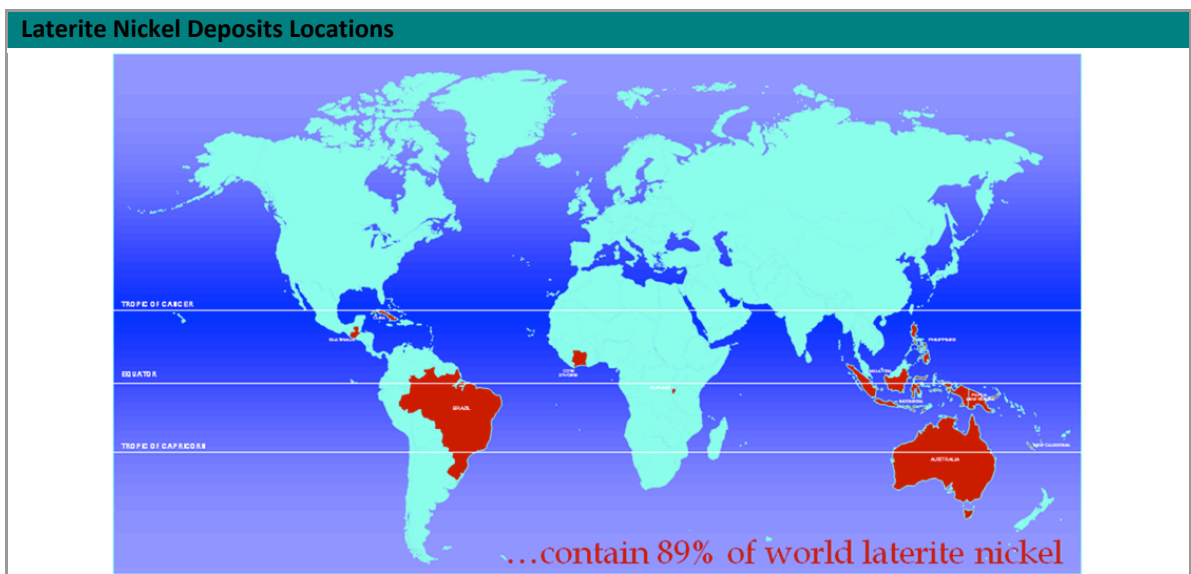
DNi intends to become a leading global nickel producer, using its proprietary process to access and process nickel laterites, primarily focused on South East Asia. DNi believes that current market conditions indicate global demand will grow for the foreseeable future, supporting this business opportunity.

As a nickel producing company DNi intends to license only those nickel laterite projects in which it has a direct equity interest. DNi's commercial strategy is to use its proprietary DNi process initially to farm into or enter into joint ventures with nickel laterite asset owners by providing a license to use the DNi Process and earn a significant share of the nickel deposit. For early plants, the DNi Directors expect the nickel deposit owner will fund or assist in the funding of the demonstration plant.

DNi expects, as it obtains further capital, to acquire significantly undervalued nickel laterite deposits for its own portfolio and apply the DNi Process to create maximum value for DNi shareholders. DNi's plan is to grow its production base to around 150,000 – 200,000 tonnes pa over the next 10 years and thereafter continue to grow as nickel demand increases.

South East Asia, in particular Indonesia, Papua New Guinea and the Philippines, are regarded as being ideally suited to implement DNi's strategy due to a number of factors:

- ✓ Abundant nickel deposits available and awaiting development, with grades being particularly favourable in Indonesia;
- ✓ Significant low cost "green power" potential in the form of geothermal, hydro-electric or natural gas provides long-term stable energy prices and potentially green energy. DNi believes ore can be readily barged to a plant located near low cost energy;
- ✓ Geothermal conditions or low-rank coal which are abundant as alternative energy source;
- ✓ Access to China for off-take of the end product;
- ✓ Access to technical and skilled personnel for mining and processing operations;
- ✓ Established regulatory environments;
- ✓ Potential to be able to support processing plants of 50,000 to 100,000 tonnes pa for 30 years and to systematically grow its production base with geographic focus.



1.3 History & Milestones

DNi was incorporated in Australia on 11 November 2005 following the identification of a pre-cursor process that could be applied to the treatment of laterite nickel deposits. A series of partnership and operating agreements were concluded in November 2006 to create the platform for the commercialisation of the DNi Process.

Since then DNi has achieved the following milestones:

- ✓ Nov 06: Direct Nickel (DNi) partnership agreements finalised
- ✓ May 07: Aker Solutions (formerly Aker Kvaerner) delivers Pre-Feasibility Study 1 Report (PFS1)
- ✓ April 08: Oz Minerals A\$6.7m Research & Development Agreement signed with the right to earn up to 10% of DNi. In late 2008 Oz Minerals changed its strategy and having invested A\$4.2m it had earned 1.5% of equity in DNi and the agreement was terminated.
- ✓ July 08: Teck Resources subscribes A\$4m for 6.67% of DNi
- ✓ June 09: Aker Solutions delivers Pre-Feasibility Study 2 Report (PFS2)
- ✓ August 2009: Memorandum Of Understanding signed with Regency Mines
- ✓ December 2009: successfully raises A\$3m for 5% of Direct Nickel
- ✓ January 2010: commenced Phase 3 test work program
- ✓ June 2010: successfully completes CSIRO funding and Collaborative Research Agreement
- ✓ August 2010: successful recycle test work undertaken on OEM equipment
- ✓ October 2010: commencement of the design and engineering for the Perth Test Plant
- ✓ November 2010: A\$6million placement to Regency Mines plc; and a 2011 50/50 joint venture on Mambare project was announced
- ✓ June 2011: finalised documentation of the Mambare joint venture.

1.3.1 Competitive Advantage

DNi's believes that its proprietary nickel production process is likely to place it amongst the lowest cash cost producers in the nickel industry, particularly if additional revenues can be obtained from by-products. The DNi directors believe:

- ✓ DNi's capital cost is approximately half of other processes in nickel laterites (see Chart 2);
- ✓ Over "100" years of world demand is known to be in shallow open pit laterite assets around the world, which are readily capable of being converted to long-life reserves at low cost;
- ✓ DNi's process can be licensed as consideration for an equity stake in the nickel deposits and operation of facilities employing DNi's proprietary process; and
- ✓ DNi has assembled the core of management and technical teams for the process development, mine management and commercial activities.

1.4 Possible Nickel Portfolio

DNi is reviewing a portfolio of opportunities at present and is in discussions and negotiations with a number of parties. The objective is to establish a strong nickel deposits base in exchange for:

- ✓ DNi granting a Process license; and
- ✓ The nickel deposit owner granting DNi an equity share of the nickel project.

DNi is examining a number of opportunities in South East Asia and the various projects are at different stages of commercial negotiations, key priority targets at present are:

- ✓ Mamabre project JV where DNi is investing in a JV company which is seeking to develop a potential nickel deposit at Mamabre in PNG.
- ✓ Finalising discussions and negotiation to form a joint venture (80% DNi) to build the first commercial DNi plant in Indonesia based on local ore supply;
- ✓ Various Indonesia owned projects: a number of nickel projects awaiting development; leach test work undertaken on various Indonesian deposits have shown high nickel recoveries, and Indonesian owner senior management is progressing discussions; and
- ✓ Discussions to form a joint venture to build a commercial DNi plant in Brazil.

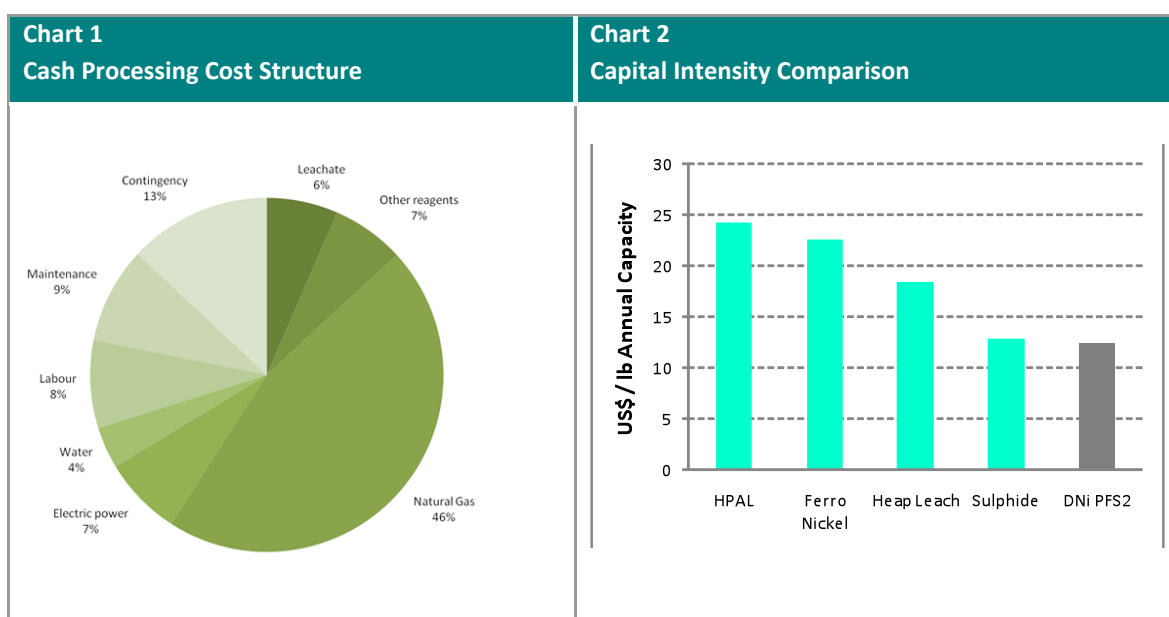
1.5 DNi's Production Process Economics

Aker Solutions of Toronto completed a Stage 2 Prefeasibility Study on behalf of DNi based on a process plant with a capacity of 3 million tonnes pa treating 1.22% Ni ore (in a two-staged combined six-hour leach) to produce 34,000 tonnes pa Ni in Western Australia. Capital and operating costs in the study were as follows:

	Atmospheric Leach
Capital Cost (US\$ / lb of annual capacity) ⁽¹⁾	~ US\$12
Cash processing cost (US\$ / lb) ⁽²⁾	US\$ 1.84

⁽¹⁾ included a reagent plant

⁽²⁾ before Cobalt and other by-product credits



Source: DNi

Source: Brook Hunt presentation / DNi

DNi understands that capital and operating costs will vary due to the deposit, location, grade, recoveries, leach times, power and energy costs, infrastructure availability, size etc., and will remain competitive to the alternatives. Energy cost represents 52% of cash cost as shown in Chart 1. Chart 2 highlights the capital cost advantage over competing processes such as HPAL, Ferro Nickel and Heap Leach.

The process is capable of producing various by products such as iron oxide (Fe₂O₃), alumina (Al₂O₃), manganese oxide (MnO₂), magnesium oxide (MgO) and by-products will vary between deposits.

Potentially more than 50% of the operational expenditures could be recovered through co-product credits such as cobalt depending on ore characteristics.

The low capital and operating cost of the DNi Process facilitates the establishment by DNi of smaller scale plants that can be expanded over time.

1.6 Direct Nickel Management & Key Personnel

Name	Position	Background
Julian Malnic	Executive Chairman	Geologist
Russell Debney	Chief Executive Officer	Lawyer and Commercial background
Graham Brock	Chief Technical Officer & Project Manager	Metallurgist
Richard Carlton	Chief Operating Officer	Mining Engineer
Ian Bain	Corporate Development Head	Investment Banking and Accounting
Dr Fiona McCarthy	Process Engineer	Process Metallurgy
Bill Cunningham	Marketing Consultant	Marketing
Pat Raleigh	Independent Engineer	Engineer
Ian Warden	Project Development Manager	Geologist
Bill Drinkard	Director	Chemical Engineer
Fred Gallagher	Director	Commerce
Hans Woerner	Drinkard Metalox Inc Chemist	Chemical Engineer

1.6.1 Key Management Team Bios

Julian Malnic - Executive Chairman

Julian is a professional geologist whose career spans a wide range of industry activity including exploration, mine assessment, corporate management and development and industry media. In 1997, Julian founded Nautilus Minerals (now Nautilus Minerals Inc. and listed on the Toronto TSX-V and London AIM exchanges). Nautilus is the world's first company to be granted exploration licences to newly discovered, high grade seafloor massive sulphide deposits. Mining of these gold, copper and zinc rich deposits is planned to commence in the last quarter of 2011 following the successful equity fundraisings totalling US\$ 300M. With one of his founding partners in Nautilus, Russell Debney, Julian founded Direct Nickel Pty Ltd (DNi) after having identified the potential of precursor technologies for treating nickel laterites.

Russell Debney - CEO

Russell has worked in the mining and mining industry since 1975 and is a qualified commercial and corporate lawyer who became a director of Global Engineering (Global), a consulting engineering and project management company specializing in the offshore oil and gas industry. Global grew to be a company of 1600 people in 20 locations worldwide. Russell was Senior VP Global responsible for all financial, commercial and contracting matters. Following his return from London in 1988, Russell joined one of Sydney's leading law firms, Sly and Weigall, and was CEO until 1993 when the firm became Deacons. In 1997, Russell joined Julian Malnic in founding Nautilus Minerals. Julian and Russell had previously promoted a private investment group to form a joint venture with Australian Resources Limited to reopen exploration of Cobalt reserves in South West Queensland. As Chairman of Nautilus until its listing in Toronto in mid-2006, Russell has been actively involved in all aspects of the financing and development of Nautilus Minerals Inc and remains a director.

Bill Drinkard - Vice Chairman / Director

Bill is a chemical engineer; he founded his first corporation, Mineral Research and Development Corp., while attending college. He has a degree in Chemical Engineering from North Carolina State University. He is a member of the Iron and Steel Society, the American Chemical Society, the Forest Products Research Society, the American Wood Preservers' Association, and the Canadian Institute of Mining, Metallurgy, & Petroleum. Bill is President and CEO of Drinkard Research and Development Corporation and of Drinkard Metalox Inc.

Fred Gallagher - Director

Fred is a graduate of the University of North Carolina - Chapel Hill, with a degree in political science. He is a former ombudsman for former North Carolina Governor Holshouser and founder of Applied Research Group, Inc. He is also a co-founder of Drinkard Research and DMI. Fred is Executive Vice President of Drinkard Research and Development Corporation and of Drinkard Metalox Inc.

Richard Carlton - Chief Operating Officer

Richard is a professional mining engineer, a graduate from the Ballarat School of Mines, and a Fellow of the Australasian Institute of Mining and Metallurgy. He holds Mine Manager's certification in most states of Australia and in New Zealand. At the beginning of 2007 he was appointed Chief Operating Officer of Direct Nickel. As a hands-on operator for much of his career, in the role of General Manager mainly of underground gold mines, Richard has had responsibility for every aspect of site operations, safety, risk management, production, cost, environmental and industrial relations performance. Companies he's worked for include Electrolytic Zinc Company of Australasia, North Limited, Australian Consolidated Minerals, Normandy Mining and Mining Project Investors. Richard brings to Direct Nickel extensive experience in human skills and personnel development together with planning, budgeting, scheduling and project management skills.

Graham Brock – Chief Technical Officer and Project Manager

Graham is a metallurgist with over 40 years' experience in the mining industry. He has strong project organization and management skills focused on the nickel mining industry. Between 1988 and 1991, Graham was Project Manager of the million tonnes Keith Nickel Project feasibility study, a US\$400m large scale nickel project producing 28,000 tonnes of nickel per annum. Then with Eltin Minerals, Mining Project Investors and ultimately, as Manager of Projects for LionOre Australia, Graham has continued to blend his technical expertise with project management of major nickel projects. Now with Direct Nickel, Graham is Project Manager for the 5 phase commercialization program. To date he has successfully managed, within time and budget, phases 1 and 2 and is currently engaged in planning phase 3. Graham has a BSc (Eng) from Imperial College London, is an Associate of the Royal School of Mines, London and a Fellow of the Australasian Institute of Mining and Metallurgy.

Ian Bain - Corporate Development Head

Ian was formerly the Global Head of Mining and Metals Corporate Finance for ABN AMRO Bank NV with thirty years' experience in the corporate and banking sectors much of which has been in the mining and metals and oil and gas arena globally. With a Bachelor of Business and a Masters of Applied Finance from Macquarie University, Ian has a broad commercial background covering accounting, treasury, debt and equity raising, transaction structuring and due diligence. Ian's experience covers building materials, engineering, gold refining, coal, iron ore, magnesia, gold, base metals, mineral sands, chrome, manganese and various other commodities. He has worked for and carried out numerous assignments for clients such as BHP Billiton, Codelco, Vale, ENRC, MMK, Yamana, Newcrest, Lihir Gold, Glencore, Macarthur Coal, UK Coal, Gloucester Coal, Boliden, CITIC, Independent State of PNG and many others.

2 Nickel Industry

Nickel is a silvery-white metal that is malleable, resists corrosion and maintains its mechanical and physical characteristics under extreme temperatures. It is rarely used in its purest form and is normally combined with other metals to form alloys. Circa 66% of nickel is consumed in the production of stainless steel.

2.1.1 Production Value Chain

Nickel ores are processed and sold based on the nickel content generally in the form of concentrate, matte or metal, each having an increased level of nickel content.

The table below shows the approximate value of products relative to the London Metal Exchange (LME) price of nickel. The beneficiation step from ore to concentrate represents the most significant aspect of the nickel production value chain. DNi intends to be producing and selling MHP.

Product	% of LME Nickel Price
Ore	15%
Concentrate (ex sulphide mine)	60 - 75%
Mixed Hydroxide Product (MHP)	75%
Mixed Sulphide Product (MSP)	75 - 80%
Matte	80%
Metal	100%

2.1.2 Global Nickel Supply

Primary sources: nickel ore is extracted from sulphide or laterite deposits. The majority of ore is concentrated before sale to smelters and refiners. Some higher grade ores are sold directly to processors such as ferro nickel producers and nickel pig iron producers (low nickel-content ferronickel, mostly for producing lower-grade stainless steel).

Recycling: from stainless steel scrap and alloy steel scrap

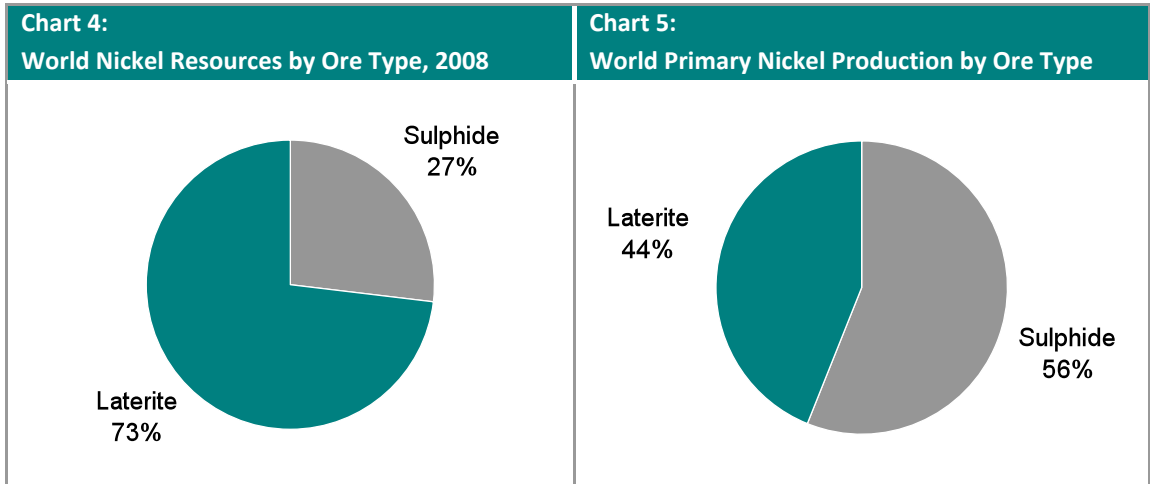
Stockpiles: refined nickel stored in warehouses

2.1.2.1 Primary Sources of Nickel Ore

Sulphide ores generally offer a lower operating cost to mine and process into nickel concentrate and are the traditional preferred source of nickel companies.

Laterite ores account for majority of global nickel deposits, however, traditionally only represent a minority of global nickel production.

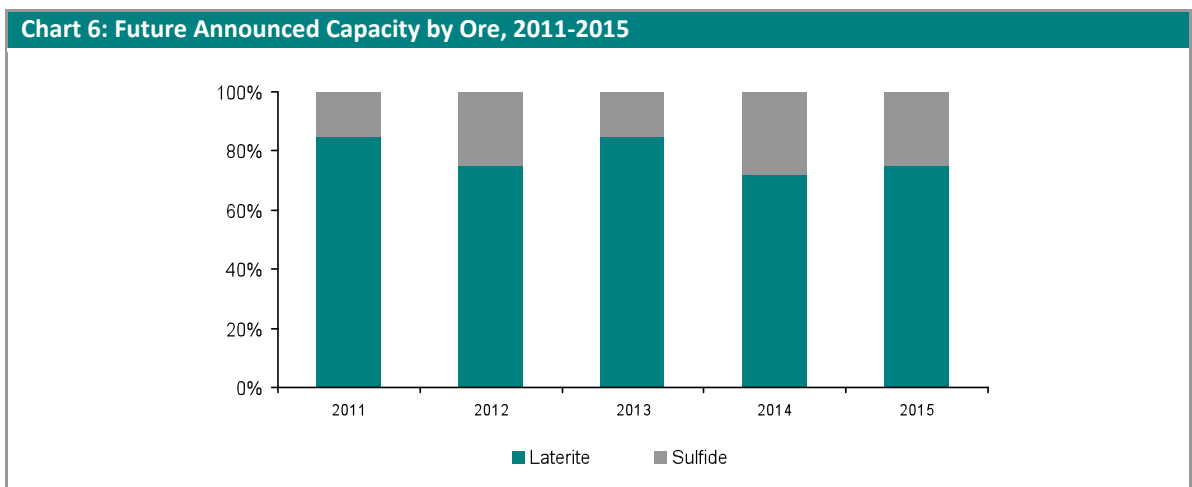
The breakdown of nickel deposits and production respectively are as follows:



Source: Roskill, INSG, ValeInco

Sulphide ore assets have become increasingly difficult to find – whereas laterite ore, which DNI is focussing on, remain well known and abundant. Many nickel companies have increasingly focused on adding new nickel capacity, however, have encountered difficulties in processing nickel laterite ores.

These challenges to increasing capacity by existing nickel producers, create opportunities for companies such as DNI that can introduce cost-effective processes to reduce cash costs, especially for treating abundantly available nickel laterites.

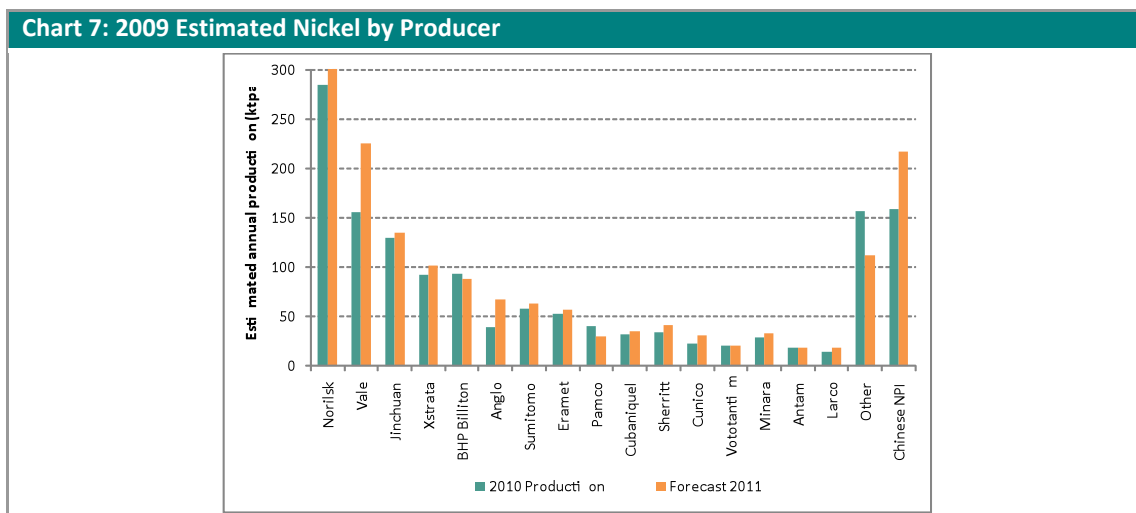


Source: Roskill

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2.1.3 Supplier Concentration

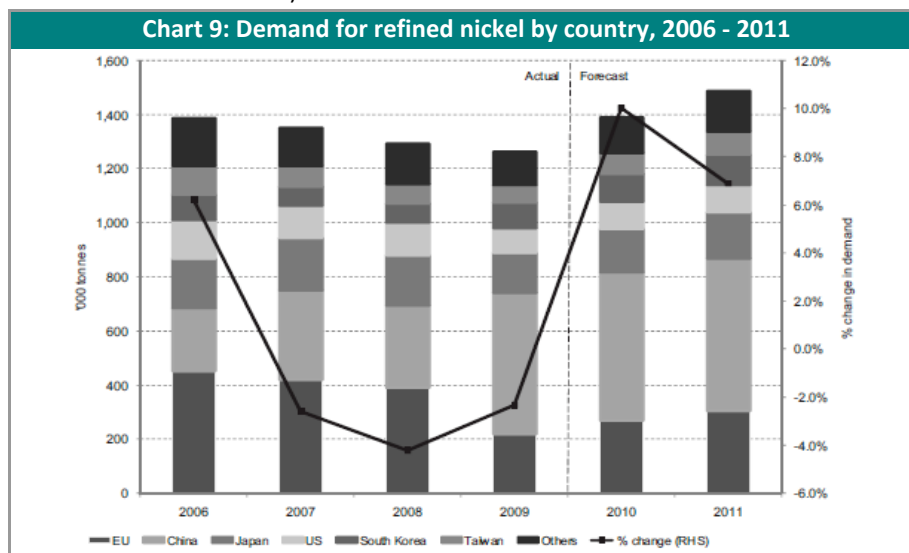
The nickel production industry is relatively concentrated with the top 5 suppliers, excluding Chinese NPI, producing an estimated 53% of the nickel industry output as of 2010.



Source: Macquarie Bank Research Report, DNI

2.1.4 Nickel Demand

The significant decline in the European Union's nickel consumption since the GFC has been offset by an increase in Chinese nickel consumption. Norilsk Nickel expects that global nickel consumption will grow by more than 5% year-on-year mainly due to a modest demand increase in stainless steel consumption. The Economic Intelligence Unit (EIU) also points to sustained demand from China, which consumes approximately 500,000 tonnes pa (i.e. approximately 38% of world total demand).



Source: EIU

2.1.5 Demand and Supply in Global Nickel Market

As world nickel demand continues to grow, new projects are increasing supply bringing the market back into balance from a supply deficit in 2010 and potentially to a supply surplus in 2012. Citi Investment Research & Analysis (Dec. 2010) however points to the possibility of these new Pressure Acid Leach (PAL) projects facing issues

which might result in ramp-ups and name plate capacity of these expansions never being achieved. Under these circumstances, the supply surplus would not eventuate.

2.1.6 Historic and Forecasted Prices

Nickel is predominantly traded on the LME on the basis of spot and 3 months forward contracts for deliveries up to 63 months. Although LME brokers can quote for any deliveries up to 63 months the majority of trading is 3 month contracts. Nickel traded on the LME must have a 99.80% minimum purity.

After surging strongly between 2001 and mid-2007, global nickel prices trended down from mid-2007 to mid-2009, along with macro-economic difficulties around the world and the associated drop in stainless steel and hence nickel demand. Nickel prices have recovered since mid-2009, given the growth in demand from developing countries, especially China. The spot price of nickel since 2000 has averaged approximately US\$ 16,400 / tonne (US\$ 7.14 / lb.), whilst Bank of America Merrill Lynch expects that nickel prices will average US\$26,600 / tonne (US\$12.07 / lb.) for 2011 and \$20,300 / tonne (US\$9.20 / lb.) for 2012. Brook Hunt, July 2011 have indicated the long term incentive price development to be over US\$24,250 / tonne (US\$11.0 lb.) with a short term floor price of circa US\$7.50 / lb.

Direct Nickel's base business model recognises the volatility of all metal commodities and is based on a London Metal Exchange nickel price of US\$17,637 / tonne (US\$8.00 per lb.). This is some 30% lower than the average expected price in 2011 and approximately 19% below the expected 2012 price.

3 Risk Factors

3.1 General Investment Risks

Accounting Standards

Australian accounting standards are set by the Australian Accounting Standards Board (AASB) and are outside the Directors' control. Changes to accounting standards issued by the AASB could materially adversely affect the financial performance and position reported in the financial statements.

Competition

The Company competes with other companies. Some of these companies may have greater financial and other capabilities than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out downstream operations on these and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

General economic conditions

Operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, foreign exchange rates, capital availability, interest rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions may have an adverse impact on the Company's operating and financial performance.

Taxation risks

A change to the current taxation regime in Australia or overseas may affect the Company and its Shareholders. Personal tax liabilities are the responsibility of each individual investor. The Company is not responsible either for taxation or penalties incurred by investors.

Sovereign Risk

The Company intends to operate in countries outside Australia. The political conditions in these locations may be generally stable, however, changes may occur in the political, fiscal and legal system, which might affect the ownership or operations of the Company, including, amongst other things, changes in exchange rates, control or regulations, expropriation of mining rights, changes in government and in legislative, fiscal and regulatory regimes, violence and lack of law enforcement, political insurrection or labour unrest, inflation or economic recession.

3.2 Specific Risks**Currency Exposure**

The Company's expected future revenue will most likely be determined in US dollars whilst its cost base will be payable in multiple other foreign currencies. Consequently, the US dollar/Australian dollar exchange rate and the US dollar/other foreign currency exchange rate will have an impact on the Company's expected earnings when measured in Australian dollars. In addition, most of the Company's expenditure in the near future will be in other foreign currency, so the Company is exposed to the Australian dollar/other foreign currency exchange rate. Global currencies are affected by a number of factors that are beyond the control of the Company. These factors include economic conditions in the relevant country and elsewhere and the outlook for interest rates, inflation and other economic factors. These factors may have a positive or negative effect on the Company's project development and production plans and activities together with the ability to fund those plans and activities.

Demand for Nickel

The Company's future proposed DNI business is related to the demand for nickel. Nickel demand is linked to industrial growth and in particular for stainless steel. No assurance can be given regarding future nickel demand.

Dependence on Key Personnel

The Company is reliant on key personnel employed or engaged by the Company. Loss of such personnel may have a material adverse impact on the performance of the Company. While there can be no assurance given as to the continued availability of such key personnel, the Company has put in place a services contract with all key personnel.

Environmental risks

The Company's operations are subject to the environmental risks inherent in the mineral industry. The Company is subject to environmental laws and regulations in connection with all its operations. Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

Financial – Future Capital Needs and Funding

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its existing projects, the Company will require further financing. Any additional equity financing may be dilutive to shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion and may affect the Company's ability to continue as a going concern.

Joint Venture Arrangements

Some operations will be conducted through joint venture arrangements with other parties. The possibility of disputes or changes in structure cannot be ruled out.

Native Title Land Access

The Company's future tenements in various countries may be subject to any native title claim which may delay commencement.

Nickel and other Commodity Prices

The Company expects to derive its revenue from the sale of nickel and other base metals. Consequently, the Company's expected earnings will be closely related to the price of these commodities together with the terms of any agreements under which these products will be sold. Commodity prices are influenced by physical and investment demand for those commodities. Fluctuations in commodity prices may influence individual projects in which the Company has an interest. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for the specific commodity, forward selling and commodity trading on the futures markets, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's project development and production plans and activities, together with the ability to fund those plans and activities

Off-take contracts

The Company seeks to secure a number of off-take contracts for its end product. The Company cannot be certain of the ability to secure these contracts or the form of these contracts.

Operating Risks

The current and future operations of the Company, including project appraisal and possible production activities may be affected by a range of factors, including:

- geological conditions and including failure to locate or identify mineral deposits, failure to achieve predicted grades in mining;
- limitations on activities due to seasonal weather patterns, cyclone activity and other acts of God;
- alterations to joint venture programs and budgets;
- unanticipated operational and technical difficulties in geophysical surveys, drilling and production activities;
- mechanical failure of operating plant and equipment, industrial and environmental accidents, industrial disputes and other force majeure events;
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment;
- prevention or restriction of access by reason of native title, political unrest, outbreak of hostilities; and
- inability to obtain any consents or approvals.

Whilst the Company intends to maintain insurance cover within the range consistent with industry standards for similar operations, no assurance is given that the Company will be able to obtain the required insurance cover or the required cover at reasonable rates, or that any insurance cover the Company obtains will be adequate and available to cover any claims arising out of the damage or losses caused by the various potential risks and hazards facing the Company.

Production ramp up

The Company seeks to scale up production through a series of joint venture and equity buy-in arrangements for a series of nickel laterite projects. The Company cannot be certain of the ability to secure these contracts. Further, the Company cannot yet be certain about the ability to commence mining and processing operations in a timely

manner due to permitting, land & energy access and other infrastructure aspects of each individual project. Until the Company is able to realise value from its projects it is likely to incur ongoing operating losses.

Resource Confirmation

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates, which were valid when made, may change significantly when new information becomes available. In addition, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past sampling and drilling, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could have either a positive or negative effect on the Company's operations.

Statutory Title

The Company's mining and extraction activities will be dependent upon the grant, or as the case may be, the maintenance of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. Although the Company believes that the licences, concessions, leases, permits or consents it holds will be renewed, if required, when they expire, according to the current laws applicable in other relevant countries, there can be no assurance that they will be renewed or as to the terms of any such renewal.

Technology Risk

There is no assurance that all technology risk has been eliminated. All elements of the DNi technology have been shown to operate through a range of laboratory and field trials and at a demonstration plant in August 2010. The proposed Perth test plant is designed to demonstrate the Company's technology and processes at commercial scale and operating on a range of different nickel laterite ore bodies as part of firming up arrangements on prospective tenements and joint ventures.

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WINTECH GROUP LIMITED
(ACN 003 087 689)
PROXY FORM

Shareholder Details

Name: Address:

Contact Telephone No: Contact Name (if different from above):

Appointment of Proxy

I/We being a shareholder/s of Wintech Group Limited and entitled to attend and vote hereby appoint the following proxy/proxies to attend and act on my/our behalf and to vote in accordance with my/our following directions at the General Meeting of shareholders to be held on 2 September 2011 at 2 pm (AEST) and at any adjournment of that meeting.

The Chairman of the meeting
 (mark with an 'X')

OR

IMPORTANT:

If the Chairman of the meeting is your proxy, or if appointed your proxy by default and you do not wish to direct him/her how to vote on any of these resolutions, you must mark this box with an "X". By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy on those resolutions (for which you have not given a direction) even if he/she has an interest in the outcome of the resolution and that votes cast by him/her, other than as proxy holder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote on any of these resolutions, the Chairman of the meeting will not cast your votes on the resolutions (for which you have not given a direction) on a show of hands or on a poll. The Chairman of the meeting intends to vote undirected proxies 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 2 or more Shares in Wintech Group Limited you may appoint a second proxy:
 Write the name of your second proxy in the box below.

%*

%*

* You must specify the % of your votes that you authorise your proxy to exercise .

If you do not name a proxy or your named proxy fails to attend the meeting, the Chairman of the meeting will be appointed as your proxy to attend and act on your behalf and to vote in accordance with the following directions at the General Meeting of the Company to be held on 2 September 2011 at 2 pm (AEST) and at any adjournment of that meeting.

Voting directions to your proxy - Please mark only one of the boxes with an "X" for each resolution to indicate your directions.

Special Business	For	Against	Abstain
Resolution 1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 1:B	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the "Abstain" box with an "x" for a particular resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll.

PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented

Individual or Shareholder 1

Shareholder 2

Shareholder 3

.....

.....

.....

**Sole Director and
 Sole Company Secretary**

Director

Director/Company Secretary

WINTECH GROUP LIMITED
(ACN 003 087 689)
PROXY FORM

How to complete this Proxy Form

1. Your Name and Address

Please print your name and address as it appears on your holding statement and the Company's share register. If Shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. **Please note you cannot change ownership of your securities using this form.**

2. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company.

3. Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

4. Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy please write the name of that person. To appoint a second proxy you must state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If the Proxy Form does not specify a percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

5. Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the shareholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

6. Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting, i.e. no later than 2 pm (AEST) on 31 August 2011. Any Proxy Form received after that time will not be valid for the scheduled meeting. This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to Sydney Capital Partners Level 6, 2 Bulletin Place Sydney NSW 2000 or sent by facsimile to (+612) 8264 2411 before 2 pm (AEST) 31 August 2011.