

(Subject to Deed of Company Arrangement)

www.mirabela.com.au
Email: info@mirabela.com.au

Corporate and Trading Update

Perth, AUSTRALIA – 24 June 2014: Mirabela Nickel Limited (Subject to Deed of Company Arrangement) (**Mirabela** or the **Company**) (ASX: MBN) confirms its prior advice that the issuance and transfer of securities contemplated by the prospectus lodged with the Australian Securities & Investments Commission (**ASIC**) on 26 May 2014 (as supplemented by the supplementary prospectus of the Company lodged with ASIC on 11 June 2014) (**Prospectus**) and the deed of company arrangement entered into on 13 May 2014 between the Deed Administrators of the Company, the Company and Mirabela Investments Pty Limited (Subject to Deed of Company Arrangement) (**DOCA**) (respectively) are expected to occur on 24 June 2014.

The Company also provides the following corporate and trading update.

Retirement of Deed Administrators

The Deed Administrators expect to give notice to ASIC by close of business on 25 June 2014 that the DOCA has been fully effectuated. Following the giving of such notice to ASIC, the Deed Administrators will retire, the DOCA will terminate in accordance with its terms and the day to day management and control of Mirabela will revert to the Company's directors (see below).

New directors and company secretary

The Company is pleased to announce the appointment of Mr Richard E. Newsted, Mr Ross Griffiths and Mr Mark Milazzo to its board of directors as non-executive directors, with effect from the retirement of the Deed Administrators. Mr Newsted is also expected to become the chairman of the board of directors. A brief biography of each new director is set out in the annexure to this announcement.

The Company is also pleased to announce that Dr Linda Tompkins has been appointed as company secretary of Mirabela, with effect from the retirement of the Deed Administrators. Dr Tompkins will also retain her current role as the Company's legal counsel.

The Company also wishes to advise that it is in advanced discussions with a candidate to become the new chief executive officer of Mirabela and expects to make an announcement about that candidate's appointment in the coming week. The new chief executive officer is also expected to be appointed to the board of directors of the Company.

Reinstatement of ordinary shares to quotation

The Company is working with ASX Limited to achieve the reinstatement to trading of the Company's ordinary shares as soon as practicable, subject to the satisfaction of certain conditions.

Operating licence

Further to the events subsequent to the reporting date set out in the 31 December 2013 Annual Report, the Company's subsidiary, Mirabela Mineração do Brasil Ltda (**Mirabela Brasil**), submitted the necessary documents to the Bahia State Environmental Board (**INEMA**) before the 5 June 2014 deadline. The operating licence has been automatically extended whilst INEMA reviews the application for renewal.

The Company has no reason to consider the renewal will not be granted, but there is no guarantee the operating licence will be granted and what conditions will apply. Should the operating licence not be granted, mining operations will cease.

Extension of short-term offtake agreement

Further to the announcement on 16 April 2014, deliveries to the international and foreign domiciled trading house **(ITH)** are behind schedule due to lower than forecast production. Therefore, deliveries to ITH that were expected to be completed before 30 June 2014 will only be completed by late-August 2014 / early-September 2014.

Mirabela Brasil has also agreed a new short-term offtake agreement with ITH that will cover sales to 31 December 2014. The terms of the new offtake agreement are favourable relative to the previous agreements (as amended) with ITH, however remain unfavourable relative to the Votorantim Metais Niquel S.A. **(Votorantim)** offtake agreement that is currently in arbitration.

The new short-term offtake agreement with ITH and the existing offtake arrangement with Norilsk Nickel Harjavalta Oy **(Norilsk)** means that all production to 31 December 2014 is supported by executed offtake agreements. The Company expects to commence a full tender process in Q3 of calendar year 2014 to secure a long-term offtake agreement for approximately 50% of production from 1 January 2015 onwards (with the balance of production to be sold to Norilsk continuing until a cumulative total of 66,500t of nickel in concentrate has been delivered).

Trading and performance update

The Company's operations at the Santa Rita mine have continued as usual during the administration process and, as previously announced, the Company has initiated a reduced mining volume in 2014 and 2015 of 25Mt of waste and ore per annum. The Company now provides the following unaudited update in relation to the Company's financial position and recent trading performance:

- the cash holding as at 25 June 2014 is expected to be approximately US\$65 million, net of advisors and professional fees (including the receipt of the US\$55 million (pre expenses) of new money from the issue of the US\$115 million of Convertible Notes);
- for the period between 1 January 2014 and 30 April 2014 (inclusive):
 - total nickel concentrate production and sales were 3,823 dry metric tonnes and 3,973 dry metric tonnes (43% to Norilsk and 57% to ITH), respectively;
 - total net mineral sales and the Company's EBITDA were US\$43.7 million and negative US\$15.9 million (respectively);
 - net cash outflows relating to operating activities were US\$31.3 million; and
 - net cash outflows relating to capital expenditures were US\$6.8 million.
- total nickel concentrate production and sales for the period between 1 May 2014 and 6 June 2014 (inclusive) were 1,071 dry metric tonnes and 1,668 dry metric tonnes (46% to Norilsk and 54% to ITH), respectively; and
- the inventory balance of nickel concentrate as at 6 June 2014 was approximately 448 dry metric tonnes.

DISCLAIMER – FORWARD-LOOKING INFORMATION

Certain information in this document, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian & Australian securities laws. Such forward-looking information includes, but is not limited to, information which reflects management's expectations regarding Mirabela's results of operations.

In making and providing the forward-looking information included in this document, the Company has made numerous assumptions. These assumptions include among other things: (i) assumptions about the price of nickel and other base metals; (ii) assumptions about operating costs and expenditures; (iii) assumptions about future production and recovery; (iv) that the supply and demand for nickel develops as expected; (v) that there is no unanticipated fluctuation in interest rates and foreign exchange

rates; and (vi) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) decreases in the price of nickel and copper; (ii) the risk that the Company will continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) material increases in operating costs; (v) adverse fluctuations in foreign exchange rates; (vi) the risk that concentrate produced will not meet certain minimum specifications; (vii) production estimates may not be accurate; (viii) environmental risks and changes in environmental legislation; (ix) and failure to comply with restrictions and covenants under its debt arrangements.

The Company's 2013 Annual Report and Prospectus dated 26 May 2014 (as supplemented by the supplementary prospectus dated 11 June 2014) contain information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. All forward-looking information disclosed in the attached document is qualified by this cautionary statement.

Annexure: Directors' Biographies

MR RICHARD E NEWSTED – BSc (Accounting), M Bus Admin (Hons)

Mr Newsted is a senior executive with over 30 years' experience in senior executive roles within the US automotive and steel industry. Mr Newsted spent over eight years, including four years as President and Chief Executive Officer and four years as Executive Vice President and Chief Financial Officer, with Meridian Automotive Systems Inc., a global tier-one automotive supplier of front and rear-end modules, exterior and interior thermoplastics, composites and lighting systems. Prior to joining Meridian, Mr. Newsted served seven years as Executive Vice President in various finance, manufacturing and commercial capacities at AK Steel Holding Corporation and has also worked in various roles in the finance department at National Steel Corporation, both integrated steel producers. Mr. Newsted currently serves on the Board of Directors of companies, both public and private, in a variety of industries, providing independent counsel and corporate governance expertise. He is currently non-executive chairman of Dayco LLC and Rotech Healthcare Inc. and a non-executive director of NIBCO Inc., Titan Outdoor Holdings LLC, Pacific Crane Maintenance Company LLC, OHH Acquisition Corporation, Allen Systems Group Inc., Revstone Industries LLC, Longview Power LLC, Fresh & Easy Neighborhood Market Inc., United States Steel Canada Inc., and The Greeley Company. Mr Newsted is a Certified Public Accountant, Certified Management Accountant and Certified Cash Manager.

MR ROSS EDWARD GRIFFITHS - Dip Bus Studies (Acc), FCA, MBA, MAICD

Mr Griffiths is a Chartered Accountant with over 40 years' experience in risk and finance both in Australia and overseas. He has recently retired from a senior executive role with a major Australian bank where he specialised in credit risk including corporate turnaround and debt restructure. Prior to this role, Mr Griffiths spent 15 years with an international accounting firm in Australia, PNG and Canada. He has had exposure to a wide range of business enterprises including many in the mining industry. Until recently, Mr Griffiths was a Director of the Responsible Entity for two listed property trusts. Mr Griffiths is a Fellow of The Institute of Chartered Accountants in Australia and a member of the Australian Institute of Company Directors.

MR MARK FRANCIS MILAZZO – B.Eng. Mining, FAusIMM

Mr Milazzo is a Mining Engineer with over 30 years' experience in the development and management of mines and mineral processing plants across a range of commodities in Australia and overseas. This includes both underground and surface operations, and covers a wide range of mining applications, from small scale selective to mechanised bulk extraction methods. He has been involved in a number of new mine development and mine expansion projects. Past senior roles include General Manager of the Olympic Dam Mine and Kambalda Nickel Operations with WMC Resources, and General Manager with mining contractor HWE Mining. Mr Milazzo is a Fellow of the Australasian Institute of Mining and Metallurgy and he is also a director of Aurelia Metals Limited and Red 5 Limited.