

**Form 603**  
Corporations Act 2001  
Section 671B

**Notice of initial substantial holder**

To Company Name/Scheme Mirabela Nickel Limited (MBN)

ACN/ARSN 108 161 593

**1. Details of substantial holder (1)**

Name Deans Knight Capital Management Ltd, Wayne Deans, and the entities listed in Annexure A (Associates) (together, the Substantial Holders)

ACN/ARSN (if applicable) N/A

The holder became a substantial holder on 24 June 2014

**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary shares	53,478,085	53,478,085	5.75%

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Deans Knight Capital Management Ltd	Relevant interest under sections 608(1)(b) and (c) of the <i>Corporations Act 2001</i> (Cth) ( <b>Corporations Act</b> ) in the ordinary shares held by the registered holders listed in section 4 of this form ( <b>Managed Entities</b> ), pursuant to the terms of the investment management agreements between Deans Knight Capital Management Ltd and the Managed Entities	53,478,085 ordinary shares
Wayne Deans	Relevant interest under section 608(3)(a) of the <i>Corporations Act</i> as a result of having an interest of more than 20% in Deans Knight Capital Management Ltd.	53,478,085 ordinary shares

**4. Details of present registered holders**

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Deans Knight Capital Management Ltd and Wayne Deans	Mirabela Investments Pty Ltd ( <b>Bare Trustee</b> )	Deans Knight Income Fund	24,164,459 ordinary shares

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2.	Deans Knight Capital Management Ltd and Wayne Deans	Deans Knight Income Fund	Deans Knight Income Fund	627,864 ordinary shares
3.	Deans Knight Capital Management Ltd and Wayne Deans	The Bare Trustee	Triax Diversified High-yield Trust	2,516,677 ordinary shares
4.	Deans Knight Capital Management Ltd and Wayne Deans	Mac & Co LLC	West Fraser Mills Ltd Pension Plans Master Investment Trust	4,532,198 ordinary shares
5.	Deans Knight Capital Management Ltd and Wayne Deans	The Bare Trustee	Deans Knight Income Corporation	20,231,470 ordinary shares
6.	Deans Knight Capital Management Ltd and Wayne Deans	The Bare Trustee	DK Strategic Yield Master Fund LP	1,405,417 ordinary shares

### 5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder, is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Deans Knight Capital Management Ltd	24 June 2014	<p>The Managed Entities acquired their relevant interests in consideration for: (a) the compromise and extinguishment of their claims in respect of certain unsecured notes issued by MBN; (b) agreeing to subscribe for certain convertible notes not subscribed for by other unsecured noteholders, which convertible notes were issued by MBN under a prospectus dated 26 May 2014 (<b>Convertible Notes</b>); and (c) as a fee for agreeing to roll over certain secured debt owed to them by MBN into Convertible Notes.</p> <p>Deans Knight Capital Management Ltd did not provide any other consideration in respect of the acquisition of the relevant interests.</p>		53,478,085 ordinary shares
Wayne Deans	24 June 2014	Nil		53,478,085 ordinary shares

### 6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Deans Knight Capital Management, Ltd	The persons named in paragraph 3 and the Associates listed in Part 1 of Attachment A are associates of each other because they are controlled by Deans Knight Capital Management Ltd (section 12(2)(a) of the Corporations Act).

### 7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Deans Knight Capital Management Ltd	Suite 1500, 999 West Hastings Street Vancouver, BC V6C 2W2
Wayne Deans	Suite 1500, 999 West Hastings Street Vancouver, BC V6C 2W2
Deans Knight Income Fund	Suite 1500, 999 West Hastings Street Vancouver, BC V6C 2W2
Triax Diversified High-yield Trust	Suite 1500, 999 West Hastings Street Vancouver, BC V6C 2W2
West Fraser Mills Ltd Pension Plans Master Investment Trust	Suite 1500, 999 West Hastings Street Vancouver, BC V6C 2W2
Deans Knight Income Corporation	Suite 1500, 999 West Hastings Street Vancouver, BC V6C 2W2
DK Strategic Yield Master Fund LP	Suite 1500, 999 West Hastings Street Vancouver, BC V6C 2W2

**Signature**

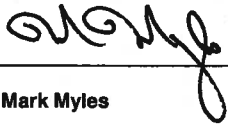
print name Mark Myles capacity Chief Operating Officer

sign here  date 25 June 2014

**Annexure "A"**

This is annexure "A" of 1 page to the Form 603 (*Notice of initial substantial holder*) dated 25 June 2014.

**Signature**

  
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**Name**

**Mark Myles**

**Capacity**

**Chief Operating Officer**

**Date**

**25 June 2014**

<b>Name of Associate of Deans Knight Capital Management Ltd</b>	<b>Address</b>
Deans Knight General Management	Suite 1500, 999 West Hastings Street Vancouver, BC V6C 2W2 Canada
Deans Knight Energy Management	Suite 1500, 999 West Hastings Street Vancouver, BC V6C 2W2 Canada
DK Strategic Yield C.I. GP Ltd.	190 Elgin Avenue George Town Grand Cayman, KY1-9005 Cayman Islands
DK Strategic Yield Master GP Ltd.	190 Elgin Avenue George Town Grand Cayman, KY1-9005 Cayman Islands
DK Capital Growth C.I. GP Ltd.	190 Elgin Avenue George Town Grand Cayman, KY1-9005 Cayman Islands
DK Capital Growth Master GP Ltd.	190 Elgin Avenue George Town Grand Cayman, KY1-9005 Cayman Islands