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## CORPORATE UPDATE

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Perth, AUSTRALIA – 26 August 2014: Mirabela Nickel Limited (*Mirabela* or the *Company*) (ASX: MBN) wishes to advise that, in accordance with the Deed of Company Arrangement dated 13 May 2014 (*DOCA*) and the Notice and Letter of Transmittal dated 4 June 2014 (*Letter of Transmittal*), Mirabela Investments Pty Ltd (*MIPL*), in its capacity as bare trustee, will commence a sell down on market on 29 August 2014 of fully paid ordinary shares in Mirabela (*MBN Shares*) on behalf of those holders of 8.75% senior notes due 2018 (*Notes*) (*Noteholders*) who have issued a sale instruction to MIPL in respect of the MBN Shares they were entitled to receive in connection with the satisfaction and discharge of the claims of Noteholders under the DOCA (*Cash Out Instruction*).

### Cash Out Process

Under the DOCA and Letter of Transmittal, MIPL, in its capacity as bare trustee, is required to sell MBN Shares in respect of which it has received a Cash Out Instruction (*Cash Out Shares*) on market on 29 August 2014, 28 November 2014, 27 February 2015, 29 May 2015 and every 30 days thereafter until all Cash Out Shares have been sold (each a *Cash Out Sale Date*).

MIPL has appointed Theta Asset Management Limited to assist it to comply with its obligations under the DOCA and Letter of Transmittal in relation to the sale of Cash Out Shares.

At the date of this announcement, MIPL has received Cash Out Instructions from one of the Noteholders, representing US\$700,000 of Notes and in respect of 1,525,300 MBN Shares. If there is sufficient demand on 29 August 2014, MIPL intends to sell all 1,525,300 MBN Shares on market at market price.

The proceeds from the sale of Cash Out Shares (less costs, fees and taxes associated with the sale) will be remitted to the parties who submitted a Cash Out Instruction within 10 business days, following the sale of the Cash Out Shares. If MIPL is unable to sell all Cash Out Shares on the first Cash Out Sale Date, it will remit to each Noteholder who submitted a Cash Out Instruction prior to the first Cash Out Sale Date its pro-rata share of the proceeds from the sale of Cash Out Shares (less costs, fees and taxes associated with the sale) that are sold on the first Cash Out Sale Date. MIPL will attempt to sell any remaining Cash Out Shares on subsequent Cash Out Sale Dates.

The Board of Directors of Mirabela has resolved that it will treat each Cash Out Sale Date as a "black out" period for the purposes of Mirabela's securities trading policy. Accordingly, Mirabela directors and key management personnel will not be able to trade MBN Shares on a Cash Out Sale Date.

Mirabela will keep the market informed of the progress of the Cash Out Process and in respect of the receipt of further Cash Out Instructions.

### Issue of MBN Shares to Noteholders who tendered their Notes via ATOP

The Company also wishes to advise that on 15 August 2014 MIPL, in its capacity as bare trustee, completed the issue of MBN Shares to those Noteholders who tendered their Existing Notes via the Automated Tender Offer Program (*ATOP*), in connection with the satisfaction and discharge of the claims of Noteholders under the DOCA. Following completion of the issue, MIPL currently holds 6,105,364 MBN Shares as bare trustee for the 0.71% of Noteholders who did not tender their Notes via ATOP.

As previously announced on 4 August 2014, 99.29% of Notes were tendered via ATOP. These, together with the Notes in respect of which a Cash Out Instruction has been received, represent 99.47% of all Notes. The Company has made contact with the remaining Noteholders representing 0.53% of Notes.

### **Unaccounted Noteholders**

The Company encourages any Noteholder who did not tender their Notes through ATOP, or who has not issued a Cash Out Instruction to MIPL (**Unaccounted Noteholder**), to contact the Company as soon as possible in order to receive the consideration to which they are entitled. Any MBN Shares in respect of an Unaccounted Noteholder which are not claimed by 16 June 2015, will be sold into the market and the proceeds (less costs, fees and taxes associated with the sale) will be held by MIPL on trust for the Unaccounted Noteholder until 16 June 2020, after which they will be remitted to the Department of Treasury (Western Australia) in accordance with the *Unclaimed Money Act 1990* (WA).

### **Removal of Notes from DTC**

The Company also wishes to advise that all Notes, both those that were tendered through ATOP, and those that were not, were removed from The Depository Trust Company (**DTC**) system on 13 August 2014.

### **Brazilian Extrajudicial Proceeding and Subordinated Notes**

It was previously contemplated that, as part of the restructuring process, the Company's Brazilian subsidiary Mirabela Mineração do Brasil Ltda., would undertake an extrajudicial reorganisation proceeding with the Lower Court of Itagiba, State of Bahia, Brazil (**EJ Proceeding**). However, following advice received from Brazilian counsel, the Board of Directors of the Company has resolved to discontinue the EJ Proceeding for the time being.

Pursuant to the Plan Support Agreement dated 24 February 2014, which outlined arrangements for the restructuring and recapitalisation of Mirabela, Mirabela is required to issue US\$5M in 1.00% 30 year subordinated notes (**Subordinated Notes**) to Noteholders at the conclusion of the EJ Proceeding. Notwithstanding the discontinuance of the EJ Proceeding, the Board of Directors of the Company has resolved to issue the Subordinated Notes. Documentation in relation to the issue of the Subordinated Notes is currently being finalised.

Following the issue of the Subordinated Notes, MIPL, in its capacity as bare trustee, will attempt to sell those Subordinated Notes in respect of which it has received a Cash Out Instruction, in accordance with the details provided in the Letter of Transmittal. The Company will provide further details, following the issue of the Subordinated Notes.

### **Corporate changes**

The company is pleased to announce the appointment of Mr Milson Mundim as the new Chief Financial Officer (**CFO**) of Mirabela Nickel commencing 8 September 2014. Mr Mundim will be based at Mirabela's mine site and Belo Horizonte office, Brazil.

Mr Mundim comes to Mirabela with extensive project finance and debt structuring experience in the resources sector, most recently at the Georadar Group, where as CFO he was responsible for their debt restructure of USD100MM. Prior to that he was the CFO at Verde Potash, where his portfolios included project finance, investor relations, off-take agreements, treasury and managerial accounting. He was CFO of Kinross Gold Corporation's Brazilian subsidiary during the US\$600M expansion of the Paracatu mine from 150,000 oz/year to 500,000 oz/year.

Mr Mundim speaks several languages fluently, in addition to English and his native Portuguese, and has worked in South America, Europe, and North America. He has a strong banking background, having worked for the IFC World Bank Group, Deutsche Bank and Bank Boston.

He completed his MBA in Corporate Finance at Thunderbird, the American Graduate School of International Management, graduating with distinction, and a Bachelor of Economics from the University Federal de Minas Gerais in Belo Horizonte.

Mirabela Nickel would like to thank outgoing CFO Mr Christiaan Els for his more than five years of outstanding service to the Company.

The Company also wishes to advise that the employment of the Chief Operations Officer, Anthony Kocken, was terminated effective 25 August 2014.

### **Contact Details**

Mirabela Nickel Limited

Telephone: +61 8 9324 1177

[info@mirabela.com.au](mailto:info@mirabela.com.au)