
CORPORATE UPDATE

Perth, AUSTRALIA – 21 November 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 sell down on market on 28 November 2014 fully paid ordinary shares in Mirabela (**MBN Shares**) on behalf of those holders of 8.75% senior notes due 2018 (**Notes**) (**Noteholders**) who have, since 29 August 2014, 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**).

Since the last Cash Out Sale Date on 29 August 2014, MIPL has received Cash Out Instructions from five of the Noteholders, representing US\$1.66 million of Notes and in respect of 3,617,025 MBN Shares. If there is sufficient demand on 28 November 2014, MIPL intends to sell all 3,617,025 MBN Shares on market at market price.

As noted in the Company's announcement of 26 August 2014, 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 the Cash Out Shares.

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 28 November 2014, it will remit to each Noteholder who submitted a Cash Out Instruction after the first Cash Out Sale Date, and prior to 28 November 2014, 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 28 November 2014. MIPL will attempt to sell any remaining Cash Out Shares on subsequent Cash Out Sale Dates.

As previously advised to the market, 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.

Subordinated Notes

The Company has become aware that, due to administrative error, a significant number of the US\$5 million, 1.00%, 30 year subordinated notes issued 10 September 2014 (**Existing Subordinated Notes**) either incorrectly stated the name of the beneficial holder or had the incorrect address details of the beneficial holder.

As a result, the Company intends to issue replacement subordinated notes (**Replacement Subordinated Notes**), which will have the same terms as the Existing Subordinated Notes. All Existing Subordinated Notes will be cancelled. The Company anticipates that the issue of the Replacement Subordinated Notes and cancellation of the Existing Subordinated Notes will occur during the first half of December 2014. The Replacement Subordinated Notes will be sent to those persons entitled to them as soon as practicable, following their issue.

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).

Contact Details

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