

MIRABELA NICKEL – Q1 2015 Update



MIRABELA NICKEL
LTD

May 5, 2015
Q1 Update

MBN.ASX



FORWARD-LOOKING STATEMENTS

This presentation may contain "forward-looking statements", within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable to Canadian and Australian securities legislation, concerning the business, operations and financial performance and condition of Mirabela Nickel Limited ("Company"). Forward-looking statements include, but are not limited to, statements with respect to the future price of nickel, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of exploration activities, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, timing and possible outcome of pending litigation, title disputes or claims and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotation thereof. 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.

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DELIVERING ON OUR COMMITMENTS



Sustaining Operational Changes, Focus on Financial Discipline & Partnerships

2015 Guidance - Produce 16,500-18,000 tonnes of contained nickel in concentrate in 2015

- ✓ Sustainment of the Operational Improvements across the site means Mirabela is performing within guidance
- ✓ Ore cutoff grade and sequencing strategy continues to be enhanced
- ✓ Drilling equipment productivity addressed
- ✓ The primary crusher performance remains in the range of 1,200-1,500 tph (availability at 83%)
- ✓ Process recovery continued to improve
- ✓ Smooth transition of tailings dam contractors
- ✓ Safety remains paramount with no Lost Time Incidents reported during the quarter



Q1 OFFTAKE / SALES UPDATE

- ✓ Q1 sales proceeding as planned following successful negotiations of off take agreements for 2015
- ✓ Mirabela shipped concentrate to its customers through the two ports of Salvador and Ilheus in Q1
 - Record sales in part a result of a late 2014 shipment that was delayed due to vessel availability
- ✓ In Q1 commercial negotiations for off takes in 2016-2017 and beyond were also initiated

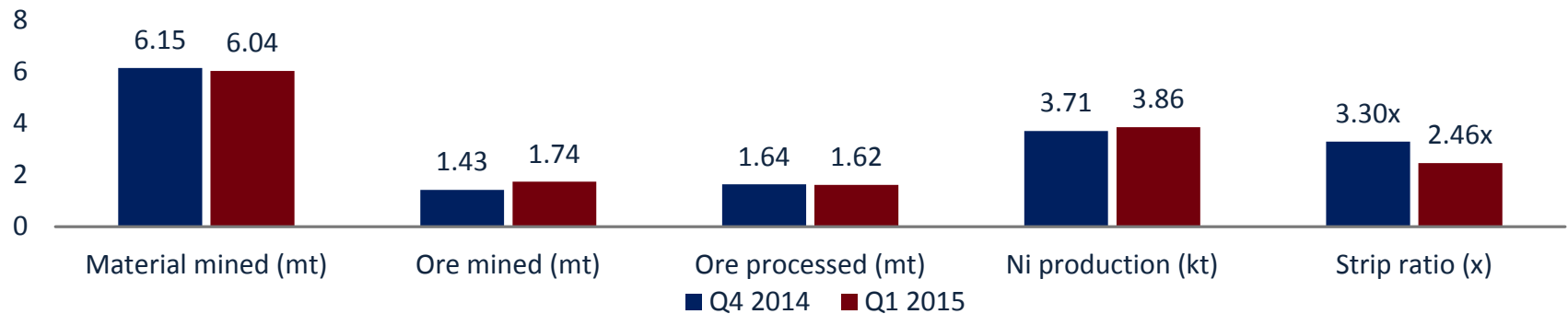
Q1 OPERATIONAL PERFORMANCE

Parameter	Q4 2014	Q1 2015	FY 2014
Material moved (mt)	6.1	6.0	24.5
Ore mined (mt)	1.4	1.7	4.3
Ore processed (mt)	1.6	1.6	5.9
Nickel produced (t)	3,714	3,855	12,047
C1 cash costs (US\$/lb)	4.82	4.88	7.16
Nickel grade mined / processed (%)	0.47% / 0.45%	0.42% / 0.44%	0.44% / 0.42%
Nickel recovery (%)	50%	54%	49%
Cash on hand (US\$m)	18	25	18

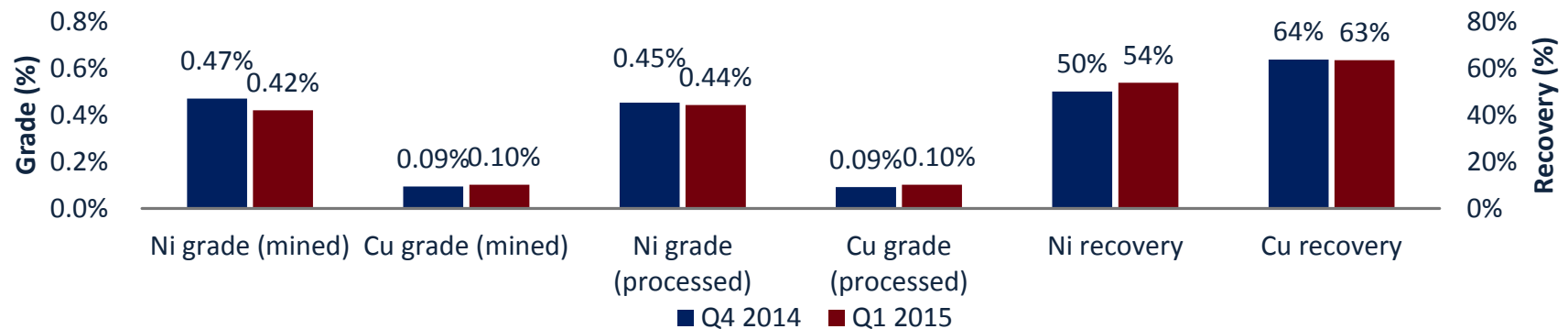
Q1 Performance Reflects Improvement Efforts & Operational Delivery

Mining & processing improvements

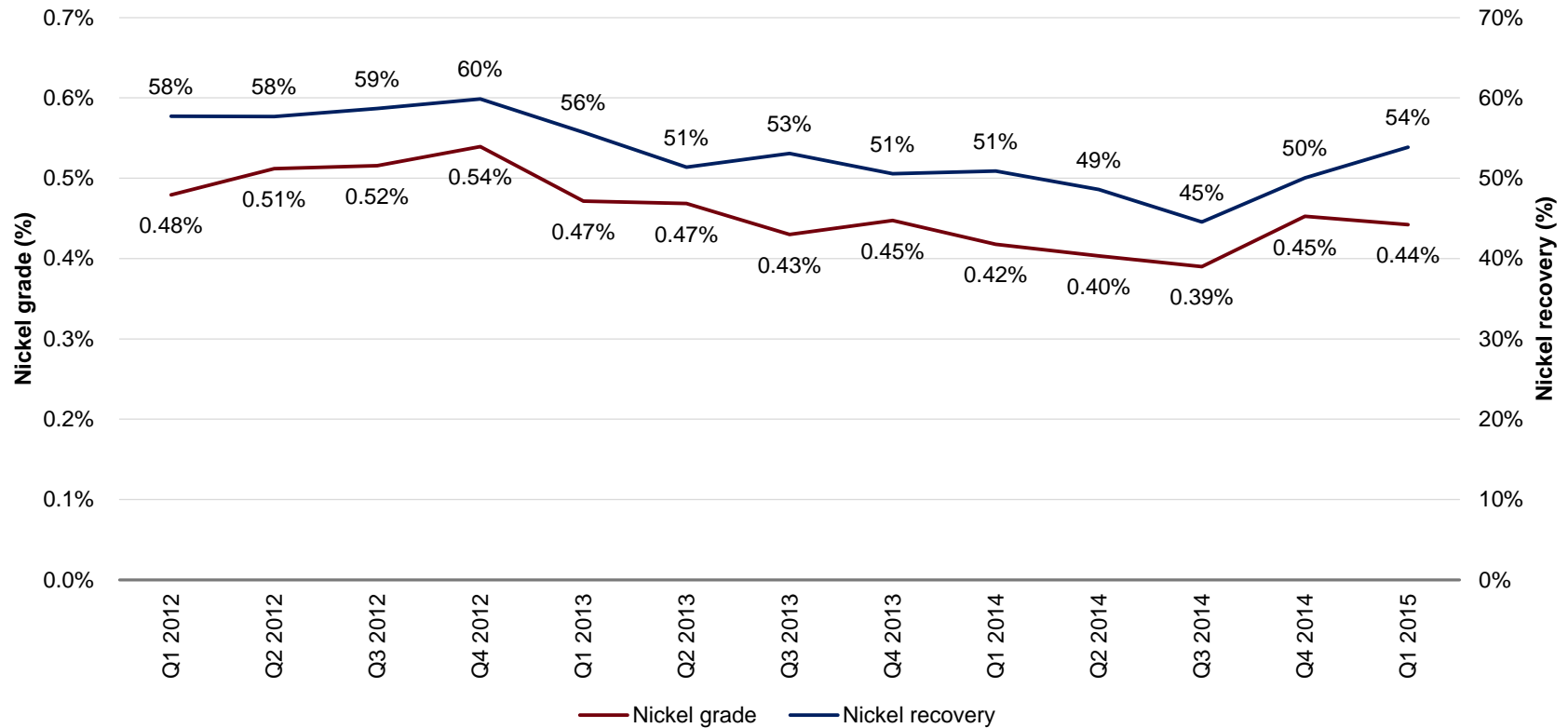
- ✓ Continued improvement in strip ratio, ore mined and nickel production, demonstrating consistency in quarter over quarter results



- ✓ Decline in nickel grade mitigated by an improvement in recoveries, which translated into production of 3,855 tonnes of contained nickel in concentrate

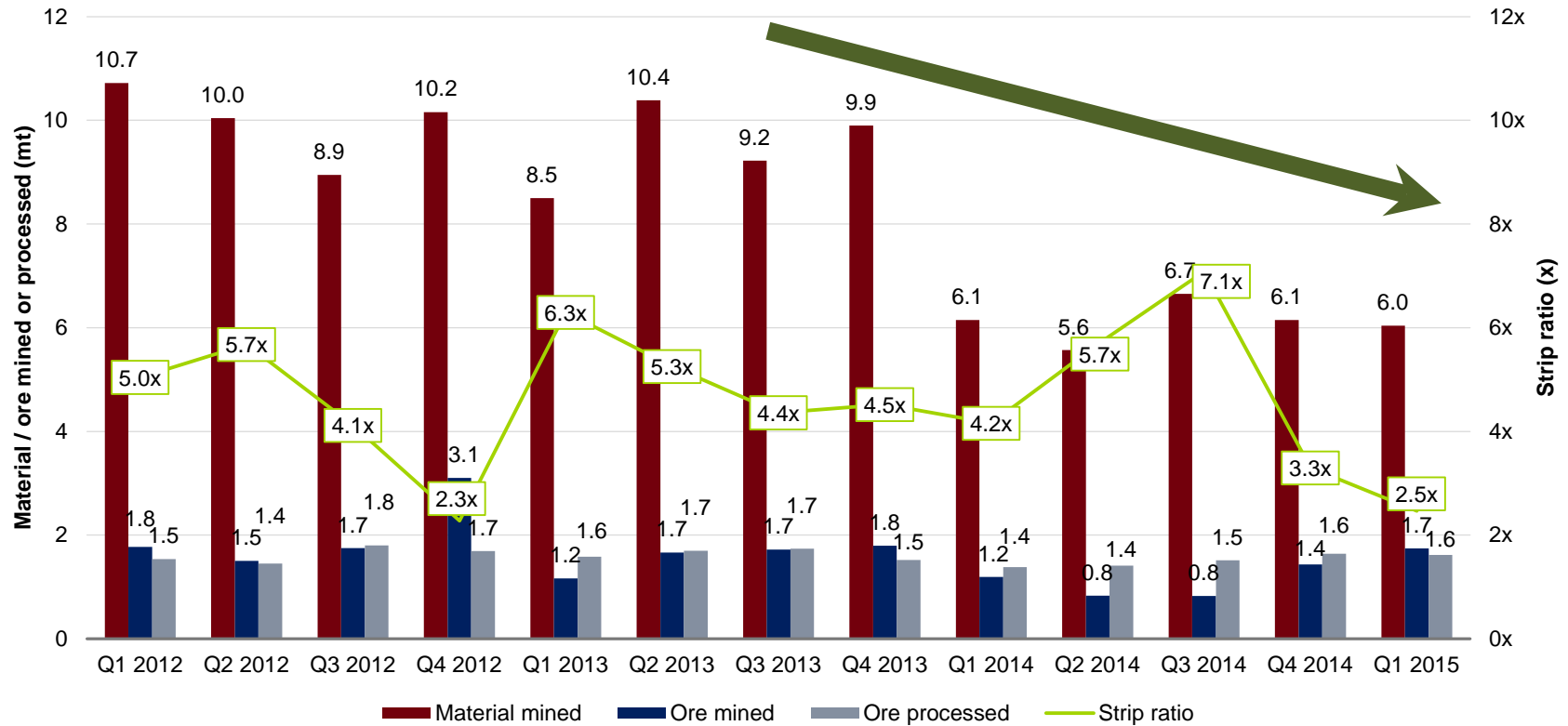


Processing grade and recovery



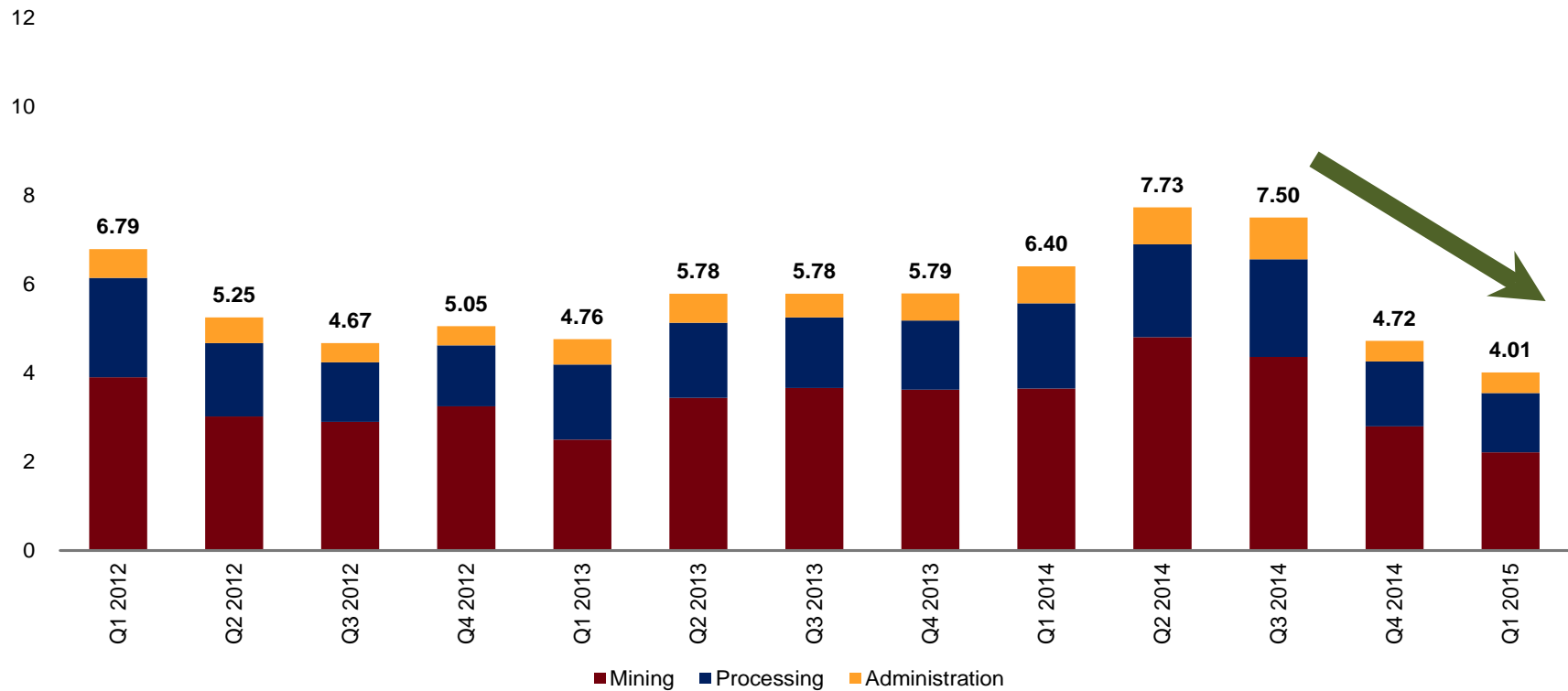
Relatively Flat Grade Coupled with an Increase in Recoveries

Mining improvements



Decreased (Waste) Material Mined

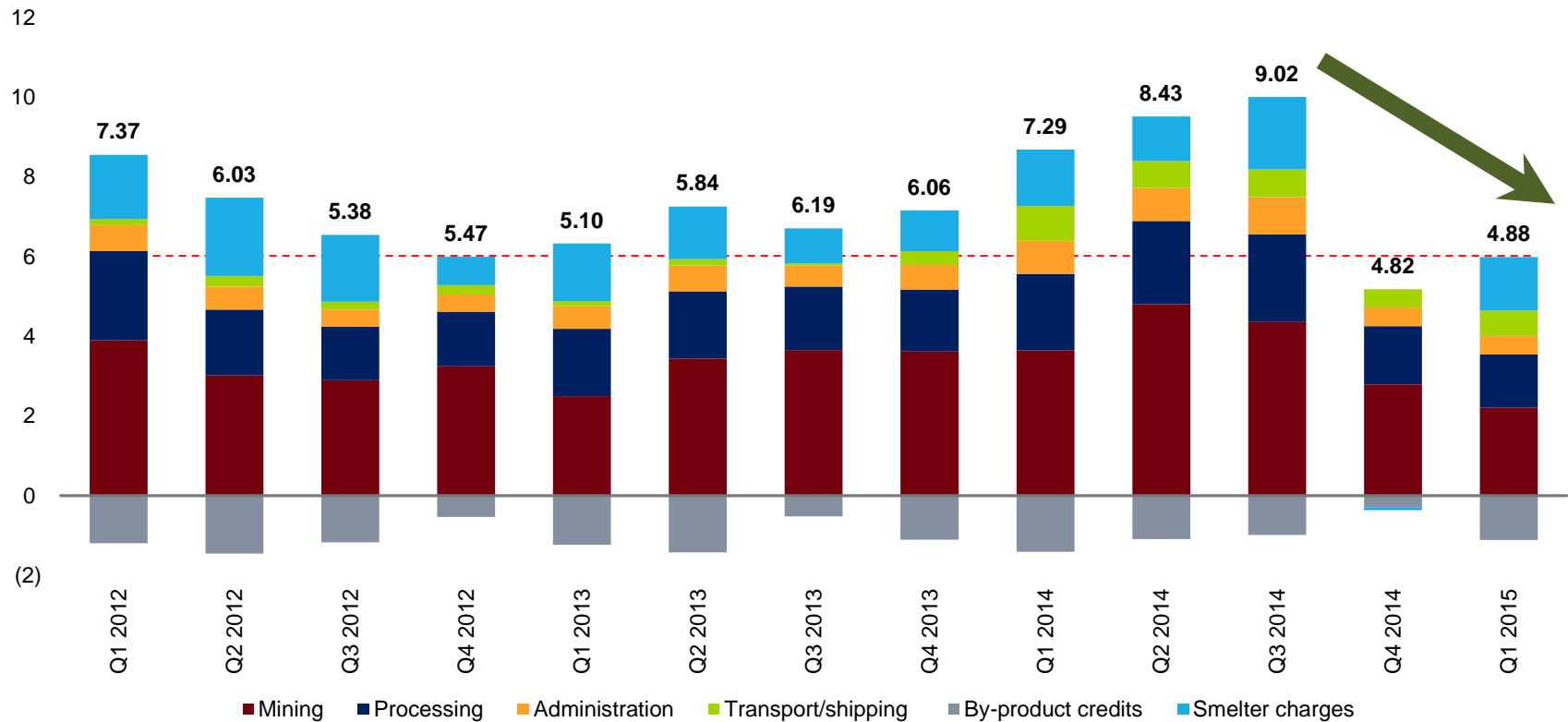
Production cost improvements (US\$/lb)



Production Costs Reach New Lows in Q1 2015

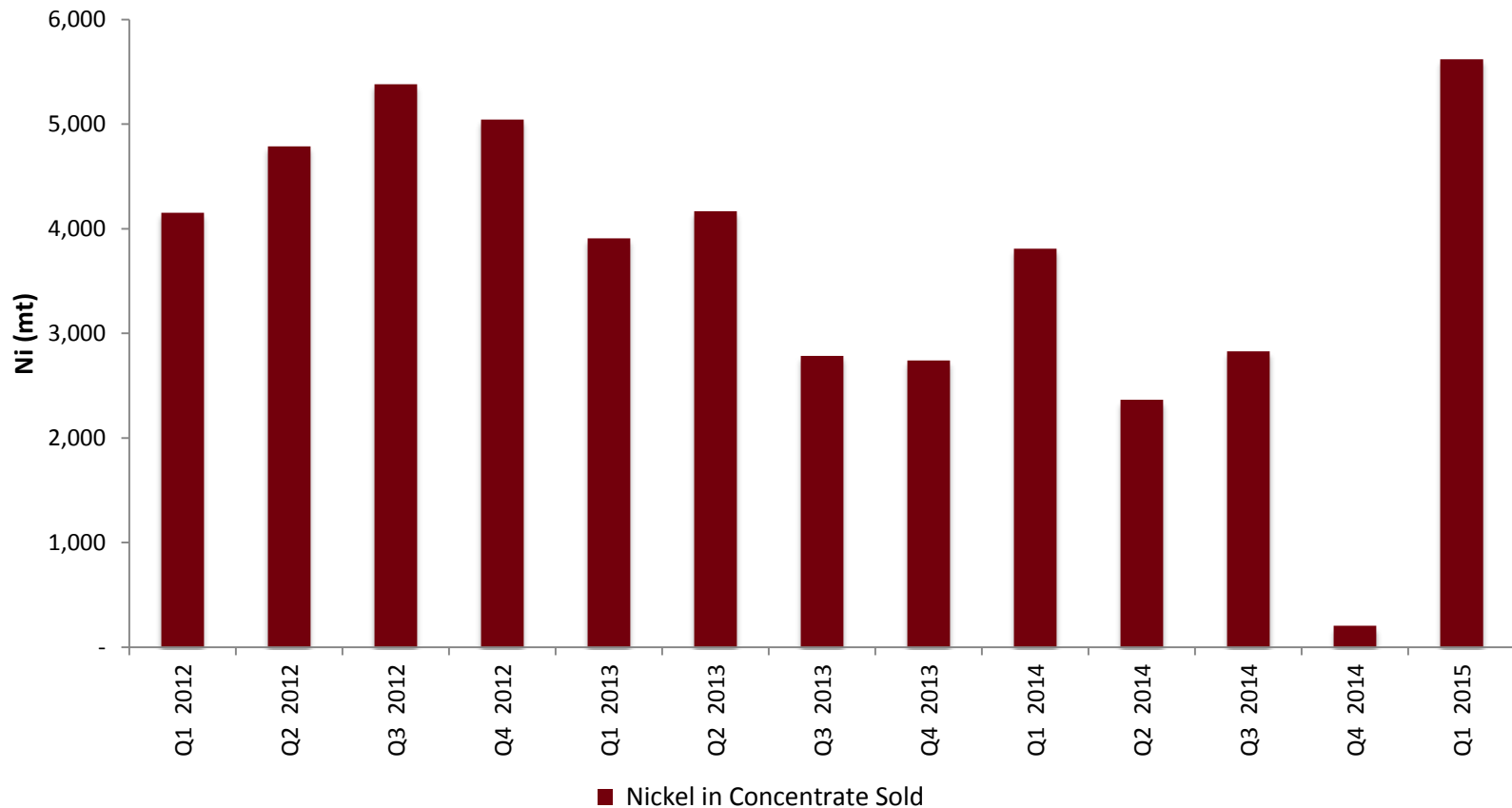
QUARTERLY PERFORMANCE

C1 cash cost improvements (US\$/lb)



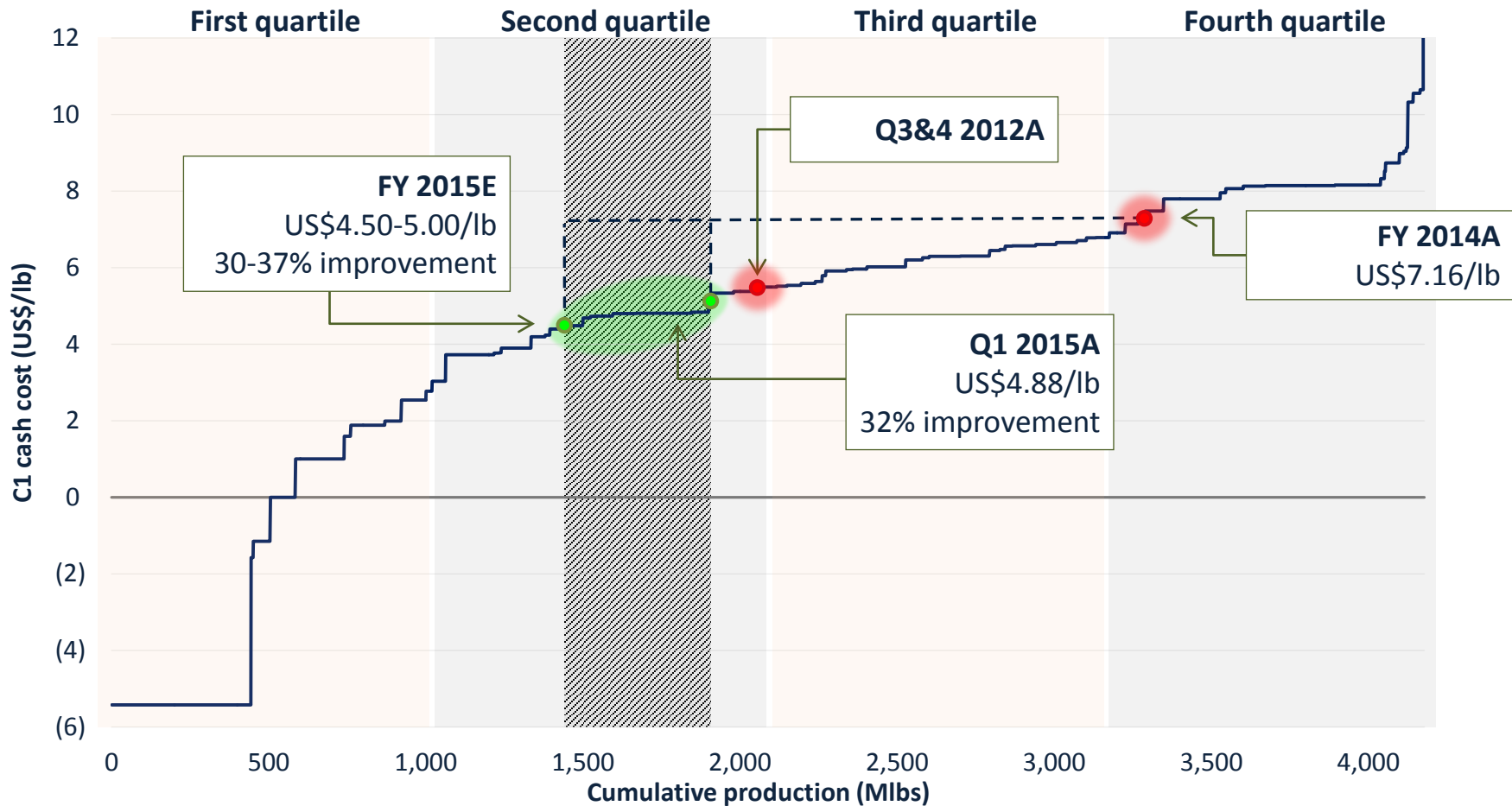
Material Operational Improvements have Resulted in a Significant Reduction in C1 Cash Costs Over the Last Two Quarters

Quarterly Concentrate Sold Nickel



Q1 Sales Performance Progressing as Planned

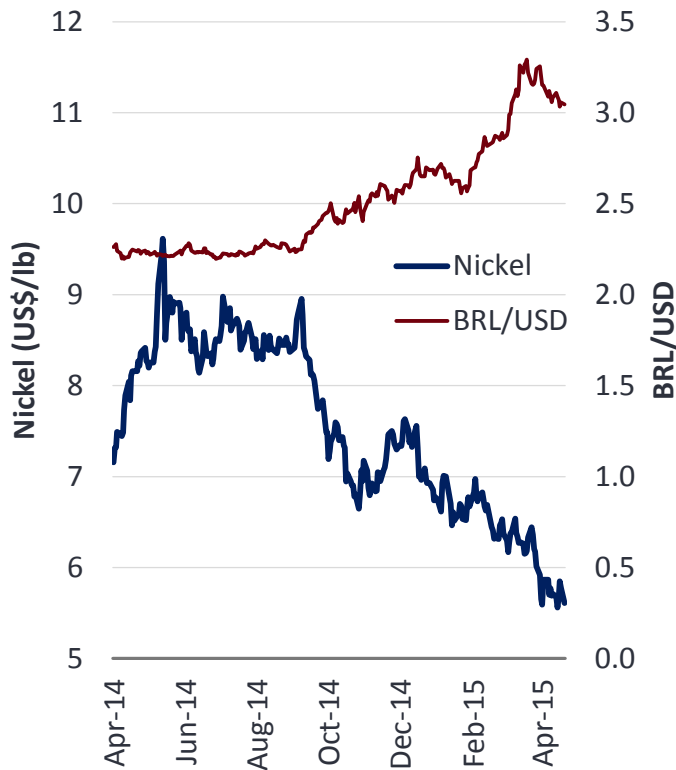
2015 PRODUCTION PLAN – C1 CASH COST



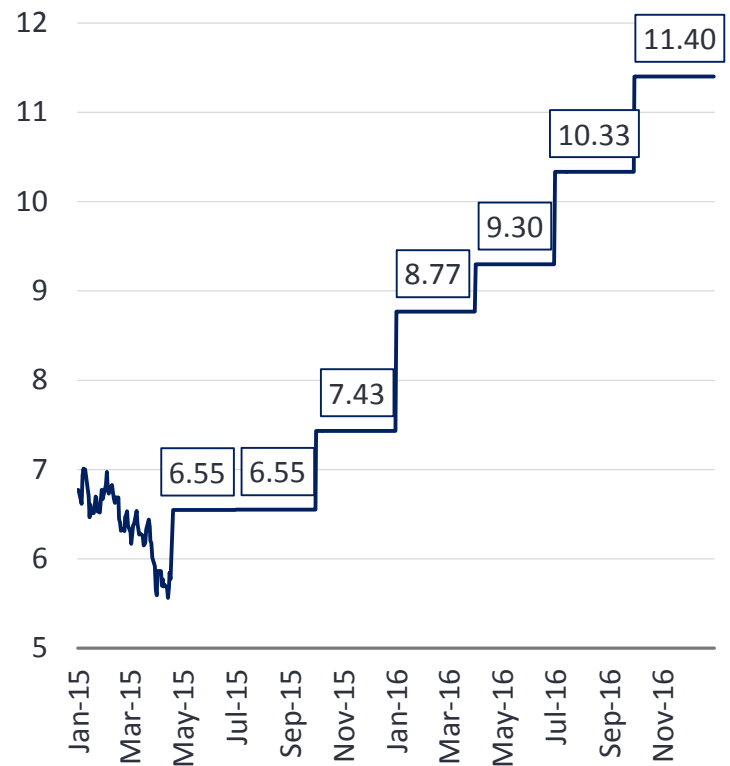
Operational Improvements have Shifted 2015 Forecast for Santa Rita Into Second Quartile of 2015 C1 Cost Curve

NICKEL PRICE PERFORMANCE AND OUTLOOK

LTM historical performance (US\$/lb; BRL/USD)



Outlook (US\$/lb)¹



➔ The poor performance in the nickel price over the last 6 months has been largely offset by the depreciation of the Real ...

➔ ... however, the outlook for nickel remains positive given increasing supply constraints

Source: Factset, Wood Mackenzie
Notes

¹ Outlook reflects the quarterly forecast from Wood Mackenzie as of April 20, 2015

Mirabela is forecast to maintain sufficient liquidity in 2015, based on:

- ✓ 2015 Q1 closing cash balance of US\$25.3 M
- ✓ 2015 production plan focused on maximizing cash flows in a volatile nickel price environment
- ✓ 2015 cash costs forecast to improve materially over 2014 due to sustainable operational improvements and optimizations as well as an enhanced production profile
- ✓ Current (weak) nickel prices balanced by the depreciation of the Brazilian Real by 19% over the last 6 months (positively impacts MBN cost profile)
- ✓ Numerous cost initiatives underway including rationalizing the workforce
- ✓ An improved capex profile given the significant progress made on the tailings dam and retendering of the tailings dam contract

Q1 2015 – CONCLUSIONS

Mirabela's first quarter is delivering within guidance below US\$5.00/lb

- ✓ C1 Unit cash costs of US\$4.88/lb
- ✓ Production of 3,855 tonnes of nickel in concentrate
- ✓ Sales for the quarter of 5,620 tonnes of nickel in concentrate
- ✓ Positive Cash position with US\$25.28 M on hand

