MIRABELA NICKEL – Q2 2015 Update

August 6, 2015
Q2 Update

MBN.ASX

FORWARD-LOOKING STATEMENTS

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MIRABELA NICKEL LTD

Financial Discipline

Operational Improvement

Partnership Development

Financial Performance

Sustaining Operational Changes, Focus on Financial Discipline & Partnerships

Q2 OPERATIONAL UPDATE

- ✓ Sustainment of Operational Improvements throughout the site means Mirabela is performing within guidance

- ✓ Rebuilt two Terex shovels plus one Pit Viper returned to service in the pit

- ✓ Performing Truck maintenance internally starting on June 1

- ✓ Improvements continue in Process recovery

- ✓ Ahead of schedule with tailings dam raise

- ✓ Safety remains paramount with one Lost Time Incident reported during the quarter

Q2 OPERATIONAL PERFORMANCE

| Parameter	Q1 2015	Q2 2015	H1 2015
Material moved (mt)	6.0	6.6	12.6
Ore mined (mt)	1.7	1.6	3.3
Ore processed (mt)	1.6	1.6	3.3
Nickel produced (t)	3,855	4,356	8,211
C1 cash costs (US$/lb)	4.88	4.49	4.75
Nickel grade mined / processed (%)	0.42% / 0.44%	0.46% / 0.46%	0.44% / 0.45%
Nickel recovery (%)	54%	58%	56%
Cash on hand (US$m)	25	16	16

Q2 Performance Reflects Sustainable Improvements & Operational Delivery
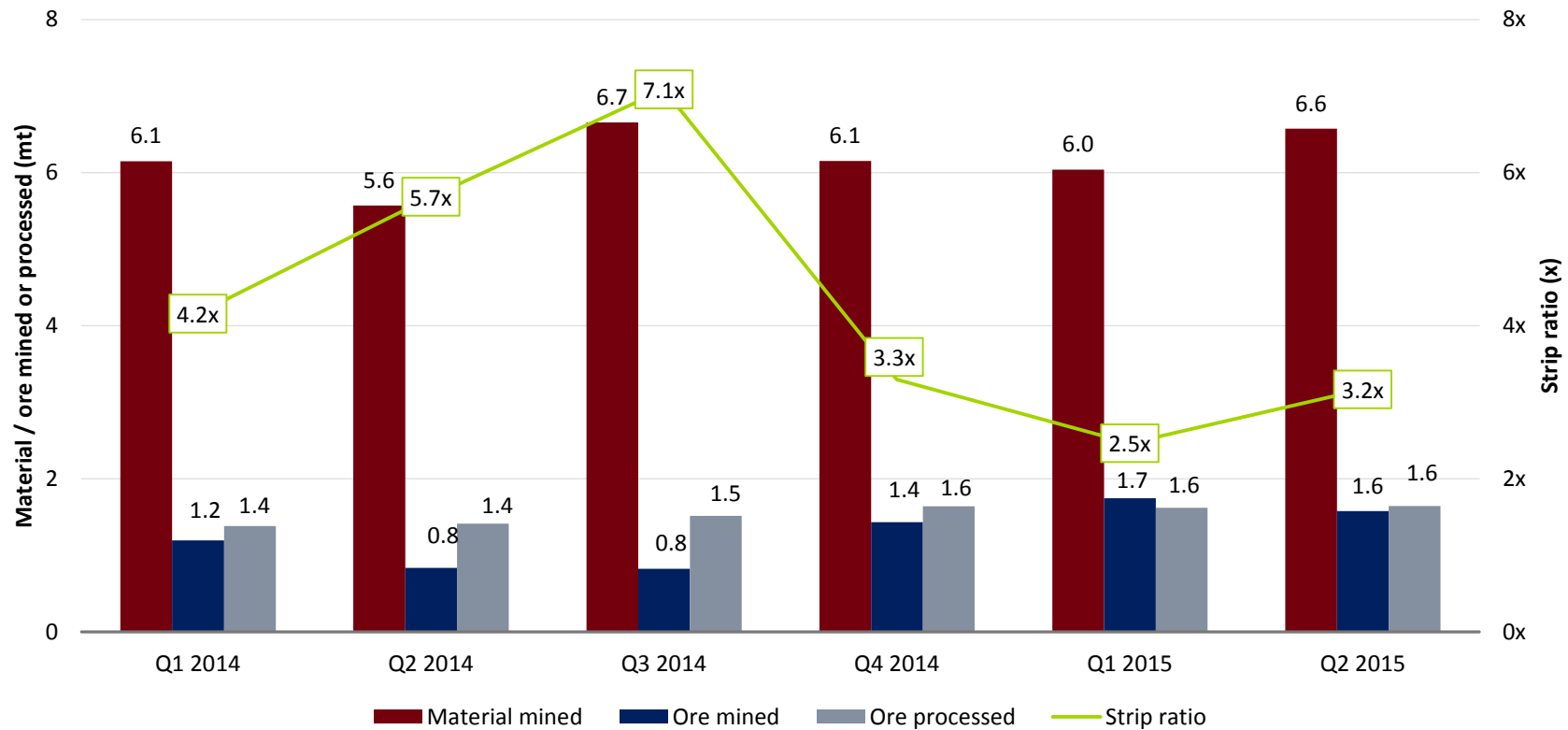
Mining & processing improvements

✓ Steady throughput and an improvement in nickel production, demonstrating consistency in quarter over quarter results
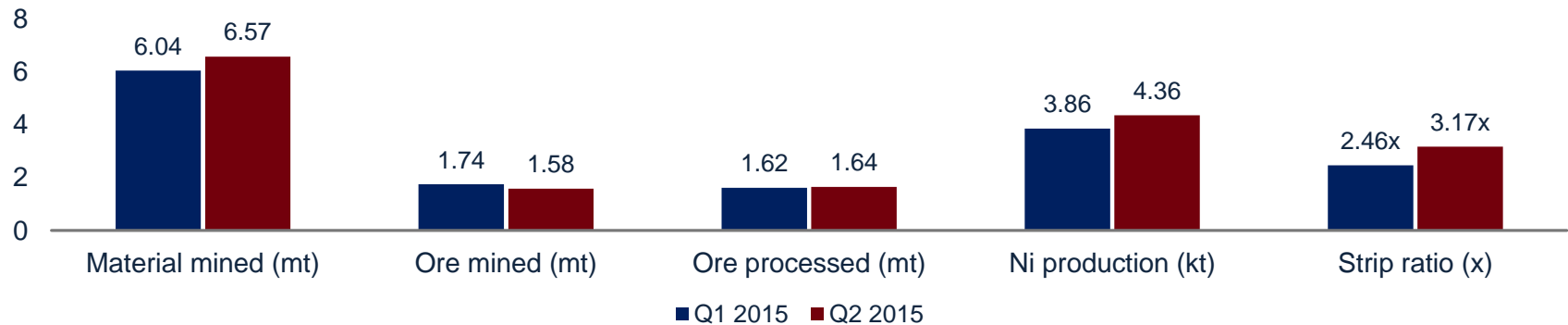
✓ An increase in both nickel grade and recoveries resulted production of 4,356 tonnes of contained nickel in concentrate, a 13% improvement
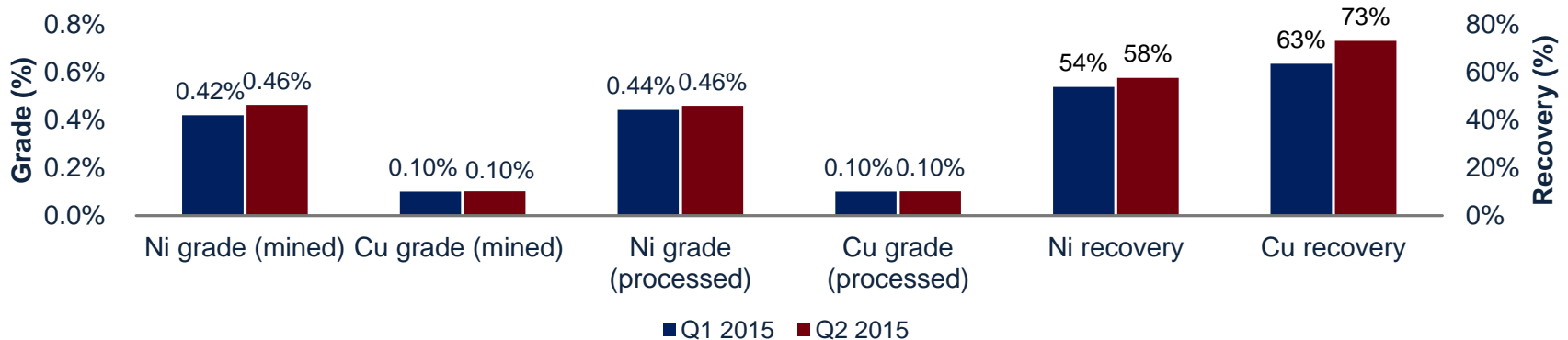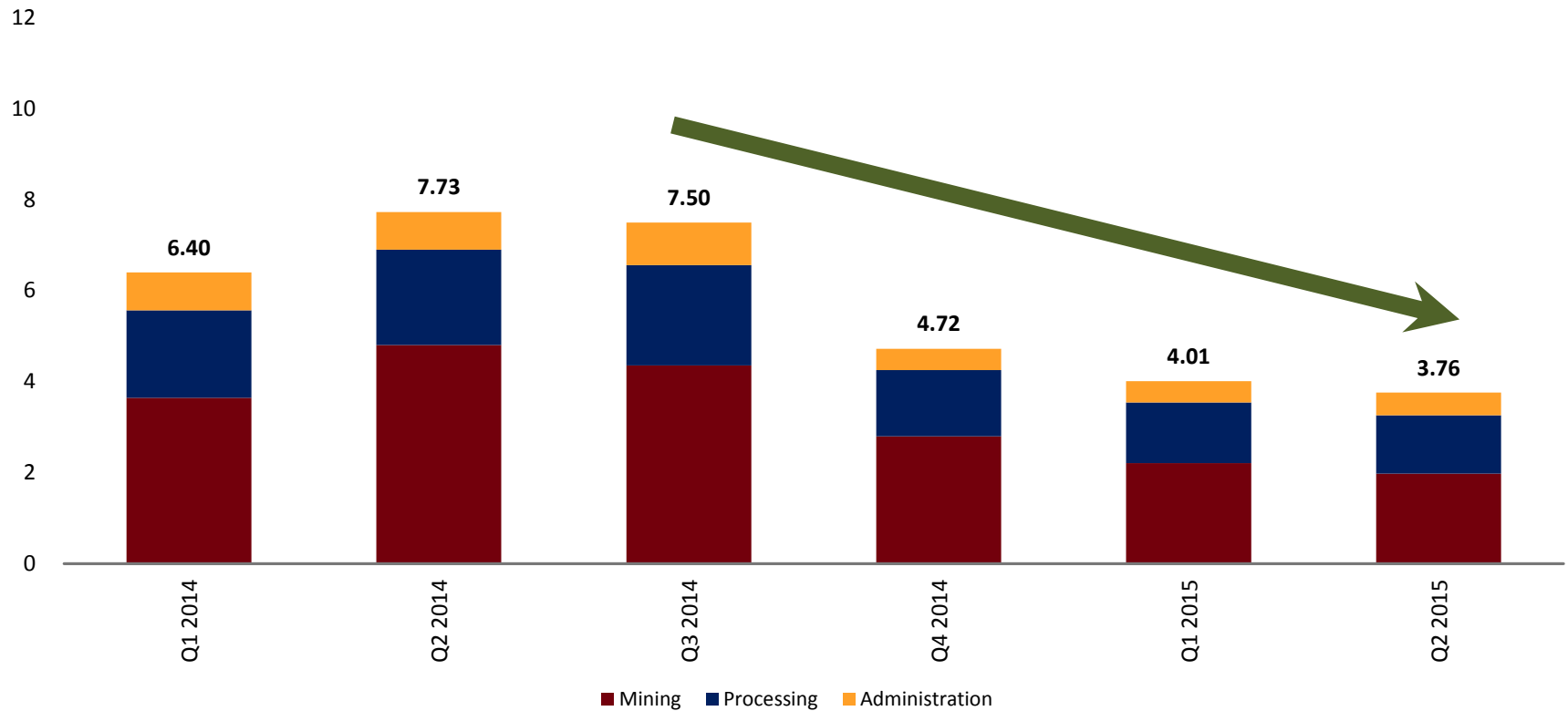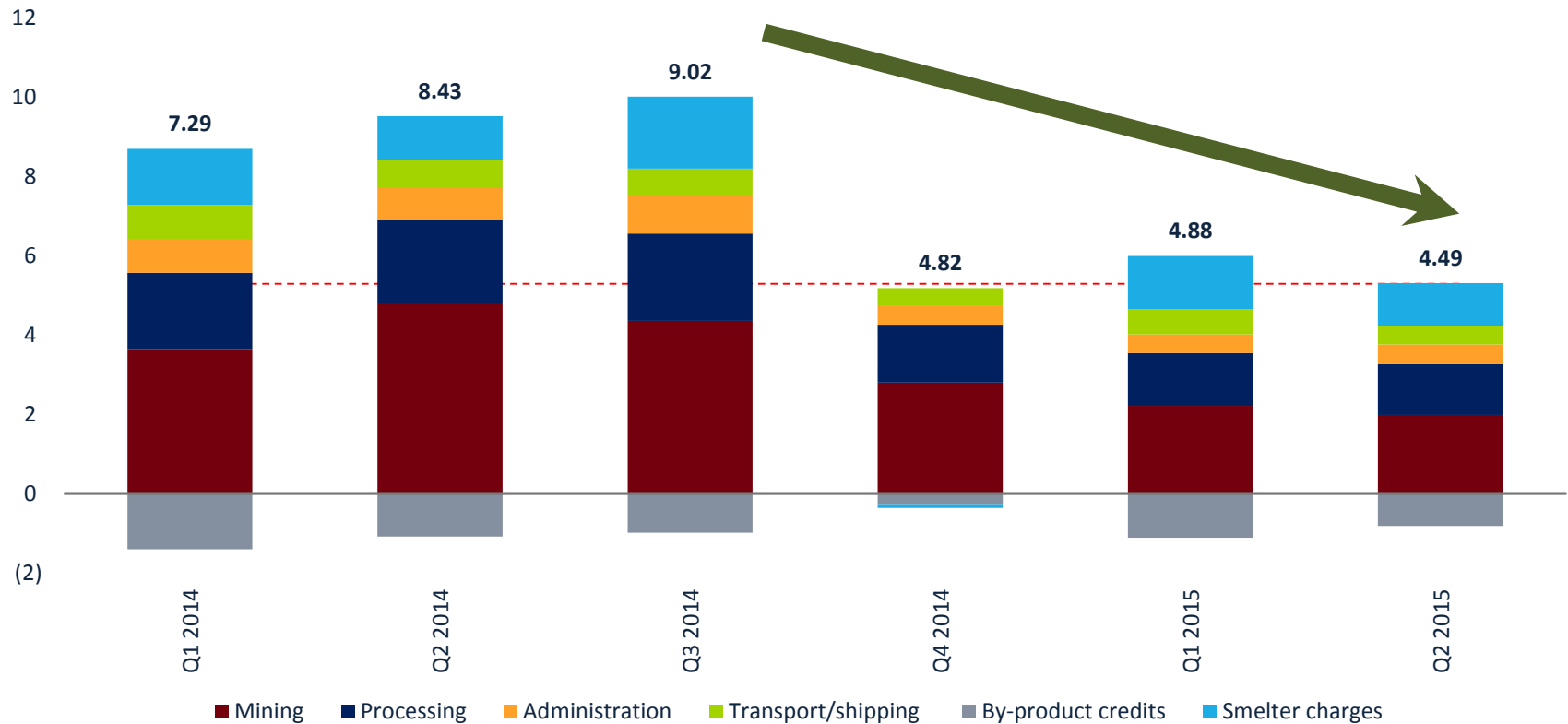
Mining improvements

Decreased (Waste) Material Mined and Consistency in Results

QUARTERLY PERFORMANCE

Production cost improvements (US$/lb)

Production Costs Reached New Lows in Q2 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 Three Quarters
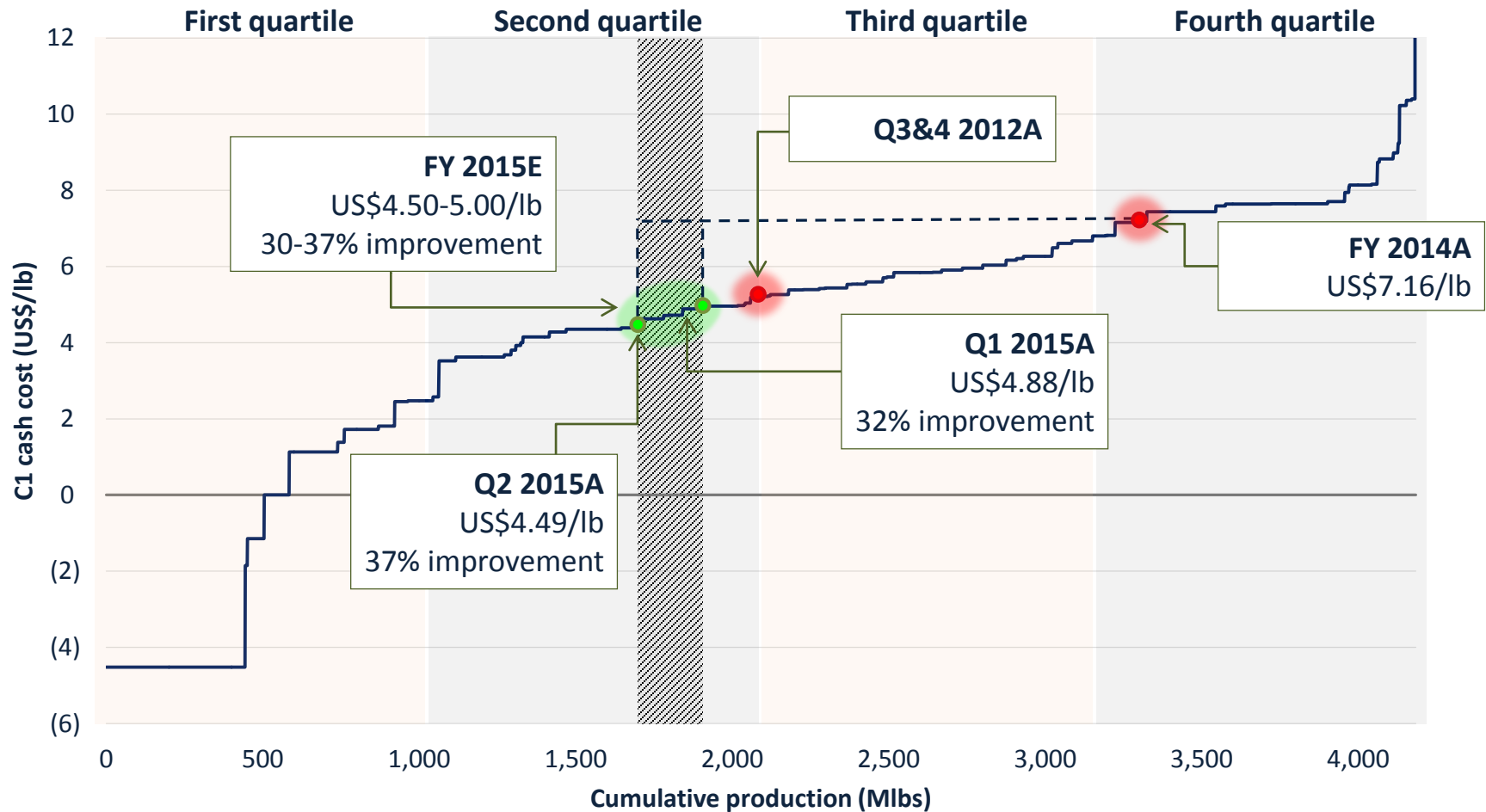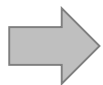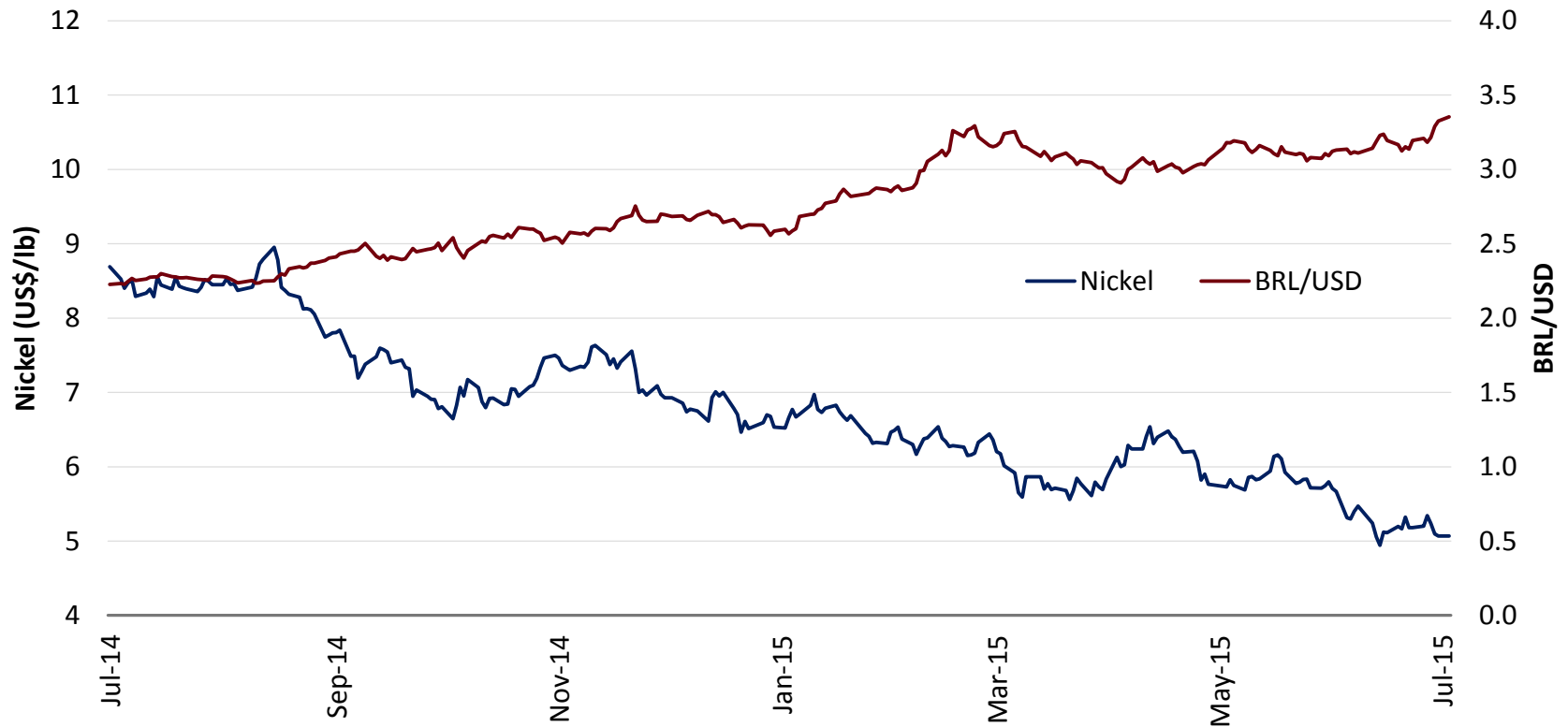
Operational Improvements Shifted Santa Rita's 2015 Forecast into Second Quartile of 2015 C1 Cost Curve

Source: Wood Mackenzie Q2 2015

NICKEL PRICE PERFORMANCE

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

Declining nickel price over the last 6 months has been partially offset by the depreciation of the Brazilian Real

Source: Factset, Wood Mackenzie

Q2 OFFTAKE / SALES UPDATE

Working with our partners, stakeholders and customers to ensure we meet our commitments
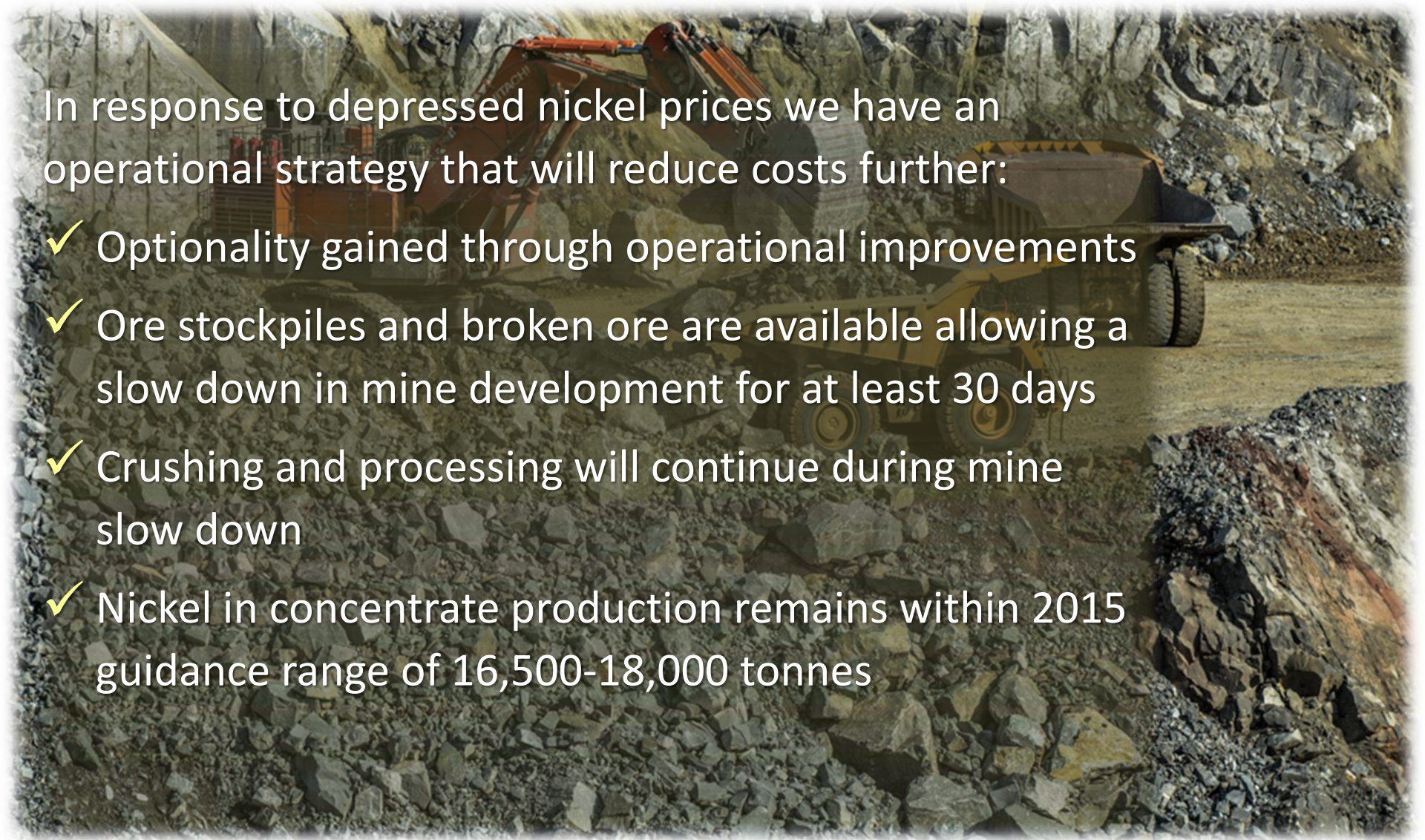
- ✓ Delivered on our contractual sales agreements during the quarter
- ✓ Consistently making on time shipments to our customers
- ✓ Mirabela accounts for approximately 25% of volume at the port of Ilheus
- ✓ Resolved the bulk handling shipping issue with the Ministry of Labour

2015 Q2 closing cash balance of US$16.2 M

Mirabela is forecast to maintain sufficient tight liquidity in 2015 in a very challenging Ni price environment through the following measures:

- ✓ Redefining Capex profile to match expenses with cash availability
- ✓ Further operational level cost reductions and redefinition of short term mine activities including a slow down of pit development
- ✓ Cost reduction in consumables
- ✓ More effective inventory management to alleviate working capital needs
- ✓ Current weak nickel prices partially offset by the depreciation of the Brazilian Real by 17% over the last 6 months which positively impacts MBN cost profile

AUGUST PLANNED PIT SLOWDOWN

In response to depressed nickel prices we have an operational strategy that will reduce costs further:

- ✓ Optionality gained through operational improvements
- ✓ Ore stockpiles and broken ore are available allowing a slow down in mine development for at least 30 days
- ✓ Crushing and processing will continue during mine slow down
- ✓ Nickel in concentrate production remains within 2015 guidance range of 16,500-18,000 tonnes

Q2 2015 – CONCLUSIONS

Mirabela's second quarter is within 2015 guidance:

- ✓ Production of 4,356 tonnes of nickel in concentrate

- ✓ Sales for the quarter of 3,402 tonnes of nickel in concentrate

- ✓ C1 Unit cash costs of US$4.49/lb

- ✓ Prudent management key in the current nickel price environment