



MIRABELA NICKEL LTD

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Manager Announcements
Company Announcements Office
Australian Securities Exchange
10th Floor, 20 Bond Street
SYDNEY NSW 2000

UPDATED SANTA RITA PROVEN AND PROBABLE RESERVE

PERTH, AUSTRALIA. Mirabela Nickel Limited (TSX: MNB, ASX: MBN) is pleased to announce an updated Proven and Probable Reserve for Santa Rita as follows:

Santa Rita Proven and Probable Reserves November 2008

JORC Reserve	Mt	Ni	Cu	Co	Pt (ppm)
Proven	15.1	0.65%	0.16%	0.017%	108
Probable	105.9	0.59%	0.16%	0.015%	89
Total	121.0	0.60%	0.16%	0.016%	91

Contained nickel – 726,000t (1,600 million lb)

Strip ratio – 7.2 to 1

Weighted average recovery – 70.2% Ni

Attached are the proposed Mine Production Schedule (Table 1.1) and Plant Production Schedule (Table 1.2).

The Reserve estimate is based upon the Potential Mill Feed Resource Estimate (pit optimised resource) announced in September 2008 as follows:

Measured and Indicated Resource – 130mt grading 0.60% Ni and 0.16% Cu

Inferred Resource – 20mt grading 0.60% Ni and 0.16% Cu

Strip ratio – 7.6 to 1

The Reserve estimate cannot include the 20mt of Inferred Resource (located at the base of the resource pit shell) and therefore uses a smaller pit design based only upon the Measured and Indicated Resource. An additional 11,000m of in-fill drilling is required to convert this Inferred Resource to Indicated, whereupon the Reserve estimate is likely to be upgraded to a larger pit broadly in line with that used for the resource.

The recent pit optimisation work highlights the need for further drilling in the Central deeps area, where the only constraint on the pit driving deeper appears to be a lack of data. Based on recent drilling results, the Southern high grade zone is broadening with depth particularly to the north into the Central deeps area. Accordingly, there remains the potential for at least one more substantial in-pit resource upgrade. An additional 8,000m of Pit Extension drilling is planned in this area once resource drilling recommences.

The final pit design (see attached figure) was based on a pit optimisation shell run at a nickel price of US\$7.00 lb (discounted). The final pit is 2,300m long in the north-south direction and 1,250m wide in the east-west direction. The base of the pit is 555m vertical depth (from the eastern surface), and the total surface area is about 173 hectares.

The conversion of resources to reserves (as defined by the Canadian NI 43-101 and Australian JORC mining codes) requires detailed estimates of economic and physical parameters for mining. The resultant average owner-operator mining costs (US\$ per tonne of material) are as follows:

Operating cost – \$1.20/t*

Capital allowance – \$0.24/t

Total mining cost – \$1.44/t (or \$11.85 pt ore)

** based on a long term exchange rate of R\$2.20 to the US dollar*

This is a modest increase in average mining costs relative to the Company's maiden reserve announced in January 2008, mostly attributable to the greater average depth of the pit. Also, about 10% of the total material movement will be by contractor mining to reduce the owner mining fleet requirements in peak years where material movement exceeds 55 million tonnes. The contractor mining cost is estimated to be US\$1.57/t.

The Reserve is based on a plan to mine and process 6.4 million tonnes of ore per year, with a peak total mining rate of about 78 million tonnes per year. The ore will be treated through a conventional sulphide ore nickel concentrator currently under construction and scheduled for completion in mid 2009. The product from this processing facility will be a 13% nickel concentrate.

The detailed analysis carried out for the Reserve estimate will be included in an updated Santa Rita NI 43.101 report that will be published within the next 45 days.



Nick Poll
Managing Director



Craig Burton
Corporate Director

Background

Mirabela Nickel Ltd owns 100% of the world class Santa Rita nickel sulphide project and is listed on the Australian and Toronto stock exchanges. With a JORC Reserve of 121mt grading 0.60% Ni for 726,000t of contained Ni, Santa Rita is the largest nickel sulphide discovery world-wide in the last 12 years.

Construction of a 6.4 mtpa nickel sulphide concentrator commenced in November 2007 and is currently 65% complete. The plant will produce 18,500 tpa of nickel in a sulphide concentrate from one open-cut mine starting from mid 2009 increasing to 26,000 tpa by mid 2010. At this rate of production the project will have a mine life of about 20 years.

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The information in this report that relates to mine scheduling studies, ore reserve and mining costs estimation is based on information compiled by Carlos Guzman who is a professional Mining Engineer and Project Manager with NCL Brasil and a Member of the Australasian Institute of Mining and Metallurgy and is a Qualified Person in accordance with NI 43-101. Carlos Guzman is a consultant to Mirabela Nickel Limited. Mr. Guzman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

All other technical information in this report has been reviewed by Nicholas Poll, who is a Member of the Australasian Institute of Mining and Metallurgy. Nicholas Poll is the Managing Director of the Company. Nicholas Poll consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Caution Regarding Forward Looking Statements: *The forward-looking statements made in this announcement are based on assumptions and judgments of management regarding future events and results. Such forward-looking statements, including but not limited to those with respect to reserve targets or the development of a mine at Santa Rita and the Company's capital expenditures and estimated future production involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the actual market prices of nickel, the actual results of current exploration, the actual results of future mining, processing and development activities, changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's filed documents.*

FINAL PIT DESIGN

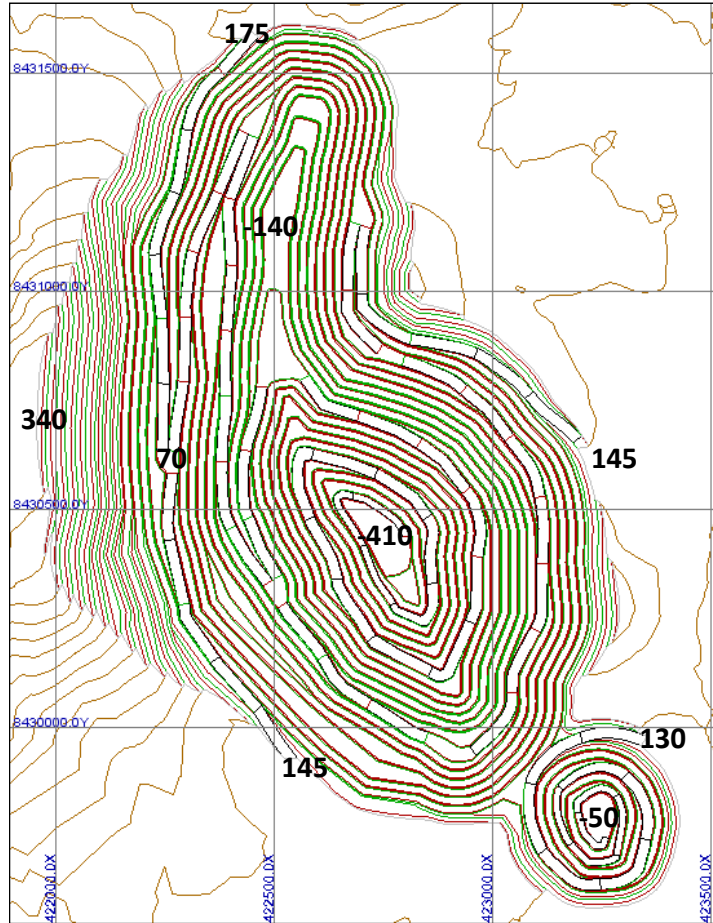


TABLE 1.1 - MINE PRODUCTION SCHEDULE

Mining Year	Mined Ore			Waste Ktonnes	Total Ktonnes	Strip Ratio	Mined Ore (Ktonnes)	
	Ore Ktonnes	Nickel (%)	Nickel (ktonnes)				Direct Tipping	To stockpile
Y00	357	0.697	2.49	7,643	8,000	21.40	-	357
Y01	1,160	0.679	7.9	5,840	7,000	5.04	580	580
Y02	5,898	0.580	34.2	36,652	42,550	6.21	2,949	2,949
Y03	6,400	0.606	38.8	48,600	55,000	7.59	3,200	3,200
Y04	6,400	0.544	34.8	48,600	55,000	7.59	3,200	3,200
Y05	6,400	0.611	39.1	48,600	55,000	7.59	3,200	3,200
Y06	6,400	0.595	38.1	51,600	58,000	8.06	3,200	3,200
Y07	6,400	0.579	37.1	48,600	55,000	7.59	3,200	3,200
Y08	6,400	0.585	37.5	68,600	75,000	10.72	3,200	3,200
Y09	6,400	0.561	35.9	71,440	77,840	11.16	3,200	3,200
Y10	6,400	0.565	36.2	48,600	55,000	7.59	3,200	3,200
Y11	6,400	0.578	37.0	48,600	55,000	7.59	3,200	3,200
Y12	6,400	0.571	36.6	48,600	55,000	7.59	3,200	3,200
Y13	6,400	0.624	39.9	48,600	55,000	7.59	3,200	3,200
Y14	6,400	0.690	44.1	48,600	55,000	7.59	3,200	3,200
Y15	6,400	0.620	39.6	69,209	75,609	10.81	3,200	3,200
Y16	6,400	0.616	39.4	69,208	75,608	10.81	3,200	3,200
Y17	6,400	0.571	36.6	36,816	43,216	5.75	3,200	3,200
Y18	6,400	0.627	40.1	11,237	17,637	1.76	3,200	3,200
Y19	6,400	0.618	39.6	6,258	12,658	0.98	3,200	3,200
Y20	4,779	0.661	31.6	3,192	7,970	0.67	2,389	2,389
Total	120,993	0.600	726.4	875,096	996,089	7.23	60,318	60,675

TABLE 1.2 - PLANT PRODUCTION SCHEDULE

Mining Year	Plant Feed									Nickel Recovery (%)	Recovered Nickel (ktonnes)
	Ore Ktonnes	Nickel (%)	Nickel (ktonnes)	Copper (%)	Cobalt (%)	Paladium (ppb)	Platinum (ppb)	Gold (ppb)	S (%)		
Y01	1,517	0.683	10.4	0.163	0.018	44.7	119.3	71.9	0.00	70.9	7.4
Y02	5,898	0.580	34.2	0.152	0.016	35.4	81.2	49.9	0.00	68.9	23.6
Y03	6,400	0.606	38.8	0.148	0.016	42.2	93.6	56.8	0.00	71.1	27.6
Y04	6,400	0.544	34.8	0.144	0.014	58.2	99.5	58.4	0.00	67.6	23.5
Y05	6,400	0.611	39.1	0.153	0.016	50.4	90.9	57.6	0.00	67.6	26.4
Y06	6,400	0.595	38.1	0.152	0.016	44.6	91.1	55.7	0.00	66.8	25.4
Y07	6,400	0.579	37.1	0.151	0.016	44.8	94.6	57.2	0.00	68.0	25.2
Y08	6,400	0.585	37.5	0.151	0.016	46.4	97.6	57.8	0.00	68.7	25.7
Y09	6,400	0.561	35.9	0.150	0.015	37.2	78.1	46.9	0.00	67.1	24.1
Y10	6,400	0.565	36.2	0.153	0.015	31.9	67.4	44.2	0.00	69.4	25.1
Y11	6,400	0.578	37.0	0.156	0.015	36.2	82.5	52.1	0.00	69.9	25.9
Y12	6,400	0.571	36.6	0.156	0.015	32.9	78.3	53.0	0.00	70.9	25.9
Y13	6,400	0.624	39.9	0.163	0.016	49.9	102.3	68.2	0.00	67.7	27.0
Y14	6,400	0.690	44.1	0.172	0.017	63.0	138.2	82.6	0.00	68.1	30.0
Y15	6,400	0.620	39.6	0.167	0.016	44.2	96.0	66.2	0.00	71.6	28.4
Y16	6,400	0.616	39.4	0.168	0.016	36.0	82.5	59.1	0.00	73.8	29.1
Y17	6,400	0.571	36.6	0.162	0.015	34.6	73.5	51.8	0.00	72.7	26.6
Y18	6,400	0.627	40.1	0.172	0.016	37.4	89.6	65.3	0.00	74.9	30.0
Y19	6,400	0.618	39.6	0.166	0.016	32.6	85.3	60.0	0.00	74.7	29.5
Y20	4,779	0.661	31.6	0.177	0.016	41.4	107.0	69.3	0.00	75.2	23.8
Total	120,993	0.600	726.4	0.159	0.016	42.1	91.2	58.6	0.00	70.2	510.3