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PLACEMENT TO RAISE A\$55.2 MILLION AND SHARE PURCHASE PLAN

Mirabela Nickel Limited is pleased to announce it has successfully placed 16.4 million shares at a price of A\$2.30 each, for gross proceeds of A\$37.8 million, primarily to institutional investors in Australia (the "Australian Placement"). The Australian Placement was led by Macquarie Capital Advisers Limited and Argonaut Securities Pty Limited and is scheduled to settle on 18 December.

Further, the Company has agreed to place 5.5 million special warrants (the "Special Warrants") principally in Canada and the United States, on a private placement basis, at a price of C\$2.23 per Special Warrant for aggregate gross proceeds of C\$12.265 million (the "Canadian Placement"). The Special Warrants convert into ordinary shares on a one for one basis, subject to the conditions summarised below. The Canadian Placement was lead by GMP Securities LP. The Special Warrants are being issued at the Canadian dollar equivalent of A\$2.30, the issue price under the Australian Placement. The Canadian Placement is scheduled to settle on or about 8 January 2010.

In addition, the Company has agreed to place 2.1 million shares to Director related entities at the same price, namely, 1.7 million ordinary shares to Lancaster Park SA and 400,000 ordinary shares to Mr Craig Burton (the "Director Placements"). In accordance with the ASX Listing Rules, closing of the Director Placements is subject to shareholder approval. Lancaster Park SA is currently a 7.2% shareholder of the Company and is associated with a director, Mr Colin Steyn. Mr Craig Burton is currently a 1.8% shareholder of the Company and its Chairman. The Director Placements represent approximate pro-rata participation in this financing by the director related shareholders. A shareholders' meeting for this purpose is anticipated to be held in February 2010.

Accordingly, the aggregate gross proceeds of the combined Australian Placement, Canadian Placement and Director Placements will be A\$55.2 million (US\$50.3 million) through the issue of 24 million shares at A\$2.30 (or equivalent).

The Company intends to use the net proceeds of the capital raising for working capital purposes and as a working capital buffer.

The Company also intends to raise up to a maximum of A\$10 million via a Share Purchase Plan to eligible Australian and New Zealand retail shareholders (and shareholders in other jurisdictions where it is legally permissible). Subject to the cap, these shareholders will have the opportunity to purchase up to A\$10,000 of new shares each at the same price of A\$2.30 per share. The Company currently has approximately 2,500 retail shareholders. The record date for the share purchase plan will be upon settlement of all trades undertaken prior to the announcement of this financing.

With respect to the Canadian Placement, each Special Warrant will entitle the holder thereof to receive one ordinary share of the Company. The Special Warrants are exercisable by the holders thereof at any time for no additional consideration and all unexercised Special Warrants will be deemed to be exercised on the earlier of: (i) the date that is four months and a day following closing of the Canadian Placement; and (ii) the third business day after a receipt is issued for a (final) prospectus by the securities regulatory authorities in each of the Provinces of Canada where the Special Warrants have been sold, qualifying the ordinary shares issuable upon exercise of the Special Warrants.

The Company will use its reasonable best efforts to obtain such a receipt by January 29, 2010. However, if the Company fails to qualify the distribution of the ordinary shares underlying the Special Warrants by February 19, 2010, the holders of the Special Warrants will be entitled to receive 1.1 ordinary shares in lieu of one ordinary share upon the exercise or deemed exercise of the Special Warrants.

The Australian Placement, Canadian Placement, Director Placements and the Share Purchase Plan are subject to certain customary conditions and regulatory approvals, including the approval of the Toronto Stock Exchange.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States or any other jurisdiction outside of Canada, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Shares offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws and may not be offered or sold in the United States or to U.S. persons absent registration or an applicable exemption from the registration requirements of the 1933 Act and applicable state securities laws.

For and on behalf of the Board

Craig Burton

Chairman

Background

Mirabela Nickel Ltd owns 100% of the world class Santa Rita nickel sulphide project and is listed on the Australian and Toronto stock exchange. With a JORC/NI 43.101 proven and probable open cut reserve of 121Mt grading 0.60% Ni for 726,000t of contained Ni. Santa Rita is the largest nickel sulphide discovery worldwide in over a decade.

The Santa Rita plant is now fully commissioned and the operation is expected to ramp-up to a capacity of 6.4Mtpa of ore producing 26,000tpa of nickel in concentrate. Current reserves support a mine life of at least 19 years.

The above technical information has been prepared by, or under the supervision of, Mr Nicholas Poll, a director of the Company, and a “qualified person” for the purposes of NI 43-101.

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