



MIRABELA NICKEL LTD

ABN 23 108 161 593

NOTICE OF MEETING

AND

EXPLANATORY MEMORANDUM

AND

MANAGEMENT INFORMATION CIRCULAR

in respect of the

ANNUAL GENERAL MEETING OF SHAREHOLDERS

to be held on 20 November 2009

As at and dated 19 October 2009

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the "**Meeting**") of holders (the "**Shareholders**") of ordinary shares of Mirabela Nickel Limited ABN 23 108 161 593 (the "**Company**") will be held at Level 31 Allendale Square, 77 St Georges Terrace, Perth 6000, Western Australia on November 20, 2009 at 11.00 am WST for the purpose of transacting the following business.

1. Financial Statements

To receive the audited financial statements of the Company for the financial year ended 30 June 2009, and the report of the auditors thereon.

2. Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution** in accordance with section 250R(2) of the *Corporations Act 2001 (Cth)*:

"That the Remuneration Report in the 2009 Annual Report of the Company be adopted."

3. Resolution 2 - Re-Election of Joseph Hamilton as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Joseph Hamilton who retires by rotation in accordance with Rule 7.3 of the Constitution of the Company, and being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."

4. Resolution 3 – Ratification of Grant of Options to Key Personnel

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of Rule 7.4 of the Listing Rules of the ASX Limited and for all other purposes, the Company ratifies the allotment and issue of 700,000 options (each having an exercise price of \$3.00 and an expiry date of 30 June 2014) to acquire fully paid ordinary shares in the capital of the Company to key personnel as named in the Explanatory Memorandum, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice (including Appendix A to the Explanatory Memorandum) ."

Voting Exclusion: The Company will disregard any votes cast on Resolution 3 by any person who participated in the issue the subject of Resolution 3 and any person associated with those persons. However, the Company will not disregard a vote cast on Resolution 3 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Shareholders are referred to the Explanatory Memorandum and Management Information Circular for more information with respect to the matters to be considered at the Meeting.



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LTD

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If you are a registered Shareholder of the Company and are unable to attend the Meeting in person, please date and execute the accompanying form of proxy and return it in accordance with its instructions in accordance with the following:

1. in respect of Shareholders registered on the Company's Australian share register, prior to 11.00 a.m. WST on 18 November 2009 by mail to PO Box Z5184, Perth, 6831, Western Australia or by facsimile at (08) 9324 2171 or deliver to the registered office of the Company at Level 21, Allendale Square, 77 St. Georges Terrace, Perth, Western Australia, 6000;
2. in respect of Shareholders registered on the Company's Canadian register, not later than 48 hours prior to the Meeting by mail to Equity Transfer & Trust Company, attention Proxy Department, at 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1 or by facsimile at +416 595-9593.

If you are a beneficial Shareholder of the Company and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you, by your broker, or by the other intermediary.

The directors of the Company have fixed 20 October 2009, as the record date for Shareholders that are entitled to receive notice of the Meeting and 18 November 2009, as the record date for Shareholders entitled to vote at the Meeting.

By Order of the Board of Directors

Mr Stephen Hills
Company Secretary

Dated: 19 October 2009

EXPLANATORY MEMORANDUM AND MANAGEMENT INFORMATION CIRCULAR

This Explanatory Memorandum and Management Information Circular is furnished in connection with the solicitation of proxies by Mirabela Nickel Limited ("**Mirabela**" or the "**Company**") for use at the annual general meeting of the holders of the ordinary shares (the "**Shares**") of the Company (the "**Shareholders**") to be held on 20 November, 2009 at 11.00 a.m. WST, and any adjournment thereof (the "**Meeting**"), at the place and for the purposes set forth in the accompanying Notice of Meeting.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the matters set forth in the notice of meeting attached hereto (the "**Notice**") for approval at the Meeting. The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision regarding the matters set forth in the Notice.

Financial Statements and Reports

The Company's audited financial statements for the financial year ended 30 June 2009, together with the report of the auditor thereon, have been mailed to the Shareholders, together with this Explanatory Memorandum and Management Information Circular.

Resolution 1 - Adoption of Remuneration Report

Pursuant to section 250R(2) of the Australian *Corporations Act 2001 (Cth)* (the "**Corporations Act**"), the Company submits to Shareholders for consideration and adoption, by way of a non-binding resolution, its remuneration report for the year ended 30 June 2009 (the "**Remuneration Report**"). The Remuneration Report is a distinct section of the annual directors' report (the "**Directors' Report**") which deals with the remuneration of directors and executives of the Company. More particularly, the Remuneration Report can be found within the Directors' Report in the Company's 2009 Annual Report.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out the remuneration details for each director and executive officer named in the Remuneration Report for the financial year ended 30 June 2009.

The Directors recommend that Shareholders vote in favour of the adoption of the Remuneration Report. As previously stated the vote on the adoption of this resolution is advisory only and does not bind the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

The Chair of the Meeting will provide Shareholders with reasonable opportunity to ask questions about, or to make comments on, the Remuneration Report.

Resolution 2 - Re-Election of Joseph Hamilton as a Director

The Board presently consists of five Directors: William Clough, Craig Burton, Nicholas Poll (Managing Director and Chief Executive Officer), S. Nicholas Sheard and Joseph Hamilton.

In accordance with the Company's Constitution, the directors of the Company shall be elected and shall retire in rotation, with one third of the directors (excluding the Managing Director and rounded down to the nearest whole number) subject to election at each annual general meeting of Shareholders held to elect directors.

Based on the foregoing, pursuant to Rule 7.3 of the Company's Constitution Mr Hamilton must retire from office as of the Meeting. However, being eligible, Mr Hamilton offers himself for re-election. Mr Hamilton has been a Director of the Company since 26 March 2007.

Mr Hamilton graduated from the University of Toronto in 1985 with a Bachelor of Science (Honours) degree in Geology. Mr Hamilton also earned a Masters of Science (Applied) in Mineral Exploration from Queen's University in 1991. Mr Hamilton has over 23 years' experience in the international mining industry. Prior to 1997, Mr. Hamilton was involved in mineral exploration for precious and base metals in North, Central and South America. From June 1997 to March 2003, Mr Hamilton was a precious metals research analyst with Dundee Securities Corporation. Mr Hamilton then held a similar position with RBC Capital Markets, Global Mining Division from March 2003 to December 2004. Mr Hamilton was the Chief Operating Officer of African Copper Plc from January 2005 and until he was promoted to CEO role in 2007. Mr Hamilton left African Copper Plc in early 2008 and is currently involved with a number of private mining ventures. In addition to Mirabela, Mr. Hamilton sits on the Board of Directors of Noront

Resources Ltd., GA Capital Corp. and Malbex Resources Ltd. Mr. Hamilton is currently a member of the Association of Professional Geoscientists of Ontario Canada, the CFA Institute and the Institute of Corporate Directors.

The following table sets out the name of the nominee for re-election as a Director of the Company and each Director whose term of office as a Director will continue after the Meeting, the province or state and the country in which each is resident, all positions with the Company now held by each of them, their present principal occupations, business or employment and within the five preceding years, the period of time for which each has been a Director of the Company, and the number of Shares of the Company or its subsidiaries beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

Name and Residence⁽¹⁾	Position with the Company	Principal Occupation or Employment⁽¹⁾	Period as a Director of the Company	No. of Shares beneficially owned directly or indirectly⁽¹⁾
William McRae Clough⁽³⁾⁽⁶⁾ Perth, Western Australia	Director, Chairman of the Board	Chief Executive, Serabi Mining plc (1999 - current), a mineral exploration and development company focused on gold deposits in Brazil.	Since July 4, 2004	6,000,000 ⁽²⁾
Craig Ian Burton Perth, Western Australia	Corporate Director	Principal, Verona Capital Pty Ltd. (1998 — current), a venture capital business that provides corporate and financial backing to new projects, particularly in the natural resource sector.	Since March 5, 2004	6,000,000 ⁽⁴⁾
Nicholas John Poll Perth, Western Australia	Managing Director and Chief Executive Officer	Managing Director and Chief Executive Officer	Since March 5, 2004	3,000,000 ⁽⁵⁾
S. Nicholas Sheard⁽³⁾⁽⁶⁾ Brisbane, Australia	Director	Chairman and Managing Director of Carpentaria Exploration Limited, a resource company.	Since March 20, 2007	Nil
Joseph Hamilton⁽³⁾⁽⁶⁾ Toronto, Ontario	Director	President of Pickax International Corporation, a private company providing services to the mineral industry (June 2005 – present).	Since March 26, 2007	55,000

Notes:

- (1) The information as to residence, principal occupation and shares beneficially owned is not within the knowledge of management of the Company and has been furnished by the respective individuals.
- (2) Shares are held by WM Clough Pty Ltd.
- (3) Member of the Audit Committee.
- (4) 2,000,000 of the Shares held by Craig Ian Burton are held by his spouse, Katrina Lee Burton.
- (5) Shares are held by Claire Louise Poll and Nicholas John Poll ATF Poll Investment Family account.
- (6) Member of the Remuneration and Nomination Committee.

The Directors recommend that Shareholders vote in favour of the election of Mr Hamilton.

Mr Hamilton, the nominee for re-election at the Meeting, has not, within the ten (10) years before the date hereof, been a director, a chief executive officer or chief financial officer of any company that:

- (i) was subject to an order that was issued while Mr Hamilton was acting in the capacity as director, chief executive officer or chief financial officer; or
- (ii) was subject to an order that was issued after Mr Hamilton ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while Mr Hamilton was acting in the capacity as director, chief executive officer or chief financial officer.

Mr Hamilton is not, and has not within ten years before the date hereof, as a director or executive officer of any company that, while Mr Hamilton was acting in that capacity, or within a year of Mr Hamilton ceasing to act in that capacity, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets.

In addition, Mr Hamilton has not, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

Mr Hamilton has never been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Resolution 3 – Ratification of Grant of Options to Key Personnel

As part of their respective employment remuneration packages, the Board granted 400,000 incentive options to Bryan Hyde and 300,000 incentive options to Chris Els (together, the "**Employee Options**"). Messrs Hyde and Els are key personnel involved in the commissioning of the Company's Santa Rita project in Brazil.

The key terms of the Employee Options are as follows:

- the exercise price is A\$3.00;
- the Employee Options vest and are exercisable on the completion of specified service with the Company (see Appendix A), at which date the Employee Options will be fully vested and exercisable;
- the Employee Options are not (and will not be) quoted on either the ASX or the TSX;
- the Employee Options will not carry the right to participate in pro-rata issues of securities to Shareholders unless the Employee Options are exercised before the record date for determining entitlements to the relevant pro-rata issue; and
- the Employee Options will expire on 30 June 2014.

The full terms and conditions of the Employee Options are set out in **Appendix A** to this Explanatory Memorandum.

The Employee Options were granted within the Company's placement capacity under ASX Listing Rule 7.1. ASX Listing Rule 7.1 provides that, without shareholder approval, a listed company must not issue equity securities where the number of equity securities proposed to be issued represents more than 15% of the company's shares then on issue.

To refresh the Company's placement capacity under ASX Listing Rule 7.1, the Company now requests that Shareholders ratify the grant of the Employee Options to Messrs Hyde and Els. ASX Listing Rule 7.4 permits shareholders to subsequently approve an issue of securities that was made without the approval under ASX Listing Rule 7.1.

For shareholders to ratify the issue of options under ASX Listing Rule 7.4, a notice of meeting must contain the particular information set out in ASX Listing Rule 7.5. This information is as follows:

- The total number of securities allotted and issued is 700,000 Employee Options, comprising 400,000 Employee Options to Bryan Hyde and 300,000 Employee Options to Chris Els under Resolution 3.
- The Employee Options were issued for a nil issue price.
- The terms of the Employee Options are set out in Appendix A hereto.
- The allottees are Bryan Hyde and Chris Els who are unrelated parties of the Company.
- There are no funds raised by the issue of the Employee Options. The Employee Options were issued as part of an employment remuneration package for each allottee.

In addition, pursuant to Sections 602 and 613 of the TSX Company Manual, the Employee Options must be approved by the TSX and the Shareholders. In that regard, Section 613 of the TSX Company Manual requires that, in addition to the information set out elsewhere in this Explanatory Statement and Management Information Circular, Shareholders be provided with the following information in respect of the Employee Options:

- the Employee Options granted to Mr Els represent 0.09% in the aggregate, of the Company's outstanding shares (as at October 19, 2009);



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- the Employee Options granted to Mr Hyde represent 0.12% in the aggregate, of the Company's outstanding shares (as at October 19, 2009);
- the exercise price of the Employee Options was determined based on the market price of the Company's ordinary shares on October 6, 2009, the date the Directors resolved to grant such options;
- the Company has not agreed to, and will not, provide any financial assistance in respect of the exercise of the Employee Options;
- both Mr Hyde and Mr Els are "insiders" (as defined in the TSX Company Manual) of the Company [Note – are both "insiders" – i.e. a chair or vice-chair of the board, a chief executive officer, a chief operating officer, a chief financial officer, a president, a vice-president, a secretary, an assistant secretary, a treasurer, an assistant treasurer and a general manager, an individual who is designated as an officer under a by-law or similar authority and an individual who performs functions similar to those performed by any of the foregoing] ;
- the terms of the Employee Options do not provide for any amendment thereto and accordingly, the Employee Options may not be amended without shareholder approval

The Employee Options may not be exercised until such time as final approval of the TSX is obtained and the grant of the Employee Options is approved by the Shareholders.

In accordance with Section 613(g) of the TSX Company Manual the Company's annual report, available under the Company's profile on www.sedar.com contains a description of the terms of the Company's security based compensation arrangements (other than the Employee Options) (the "**Outstanding Options**"). Other than as set out in the annual report, the Outstanding Options have the terms and conditions set out in Appendix A hereto, the Company has not agreed to, and will not, provide any financial assistance in respect of the exercise of the Outstanding Options and the terms of the Outstanding Options do not provide for any amendment thereto and accordingly, the Outstanding Options may not be amended without shareholder approval.

As of the date hereof, the aggregate of Mirabela's ordinary shares (i) issued to insiders of Mirabela, within any one year period; and (ii) issuable to insiders of Mirabela, at any time, either under the Employee Options or when combined with all of Mirabela's other security based compensation arrangements, could not exceed 10% of Mirabela's total issued and outstanding securities.

Other Business

Management is not aware of any other business to come before the Meeting other than as set forth in the accompanying Notice. If any other business properly comes before the Meeting, it is the intention of the persons named in the form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

MANAGEMENT INFORMATION CIRCULAR

The Company is a reporting issuer in Canada. Accordingly, pursuant to the requirements of National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators, the following disclosure is required to be included with this Explanatory Memorandum.

Purpose of Solicitation

This Information Circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the Meeting of the Company. The Meeting will be held at Level 31 Allendale Square, 77 St Georges Terrace, Perth 6000, Western Australia, on Friday, 20 November, 2009 at 11.00 a.m. (Perth WST), for the purposes set forth in the Notice accompanying this Explanatory Statement and Management Information Circular.

Solicitation of proxies will be primarily by mail but may also be by telephone, facsimile or in person by directors, officers and employees of the Company who will not be additionally compensated therefore. Brokers, nominees or other persons holding Shares in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such shares. The costs of soliciting proxies will be borne by the Company.

Appointment of Proxies by Registered Shareholders

Enclosed herewith is a form of proxy for use at the Meeting. **A Shareholder has the right to appoint up to two persons (who need not be Shareholders) to attend and act for the Shareholder and on the Shareholder's behalf at the Meeting other than the person designated in the form of proxy and may exercise such right by inserting the full name of the desired person(s) in the blank space provide in the form of proxy.**

A proxy will not be valid unless it is signed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a corporation, executed by a duly authorized officer or officers in accordance with the instructions attached on the enclosed form of proxy.

The proxy to be acted upon must be delivered: (a) in respect of Shareholders registered on the Company's Australian share register, prior to 11.00 a.m. WST on 18 November 2009 by mail to PO Box Z5174, Perth, 6831, Western Australia or by facsimile at (08) 9324 2171 or by delivery to the registered office of the Company at Level 21, Allendale Square, 77 St. Georges Terrace, Perth, Western Australia; 6000 and (b) for Shareholders registered on the Company's Canadian share register, not later than 48 hours prior to the Meeting by mail to Equity Transfer & Trust Company, attention Proxy Department, at 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1 or by facsimile at +416 595-9593.

Revocation of Proxies

A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of the Corporations Act, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorised in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

Voting of Proxies

The form of proxy accompanying this Explanatory Memorandum and Management Information Circular confers discretionary authority upon the proxy with respect to any amendments or variations to the matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting. At the time of printing this Management Information Circular, management knows of no such amendment, variation or other matter.

Shareholders must either mark the boxes directing its proxy how to vote or mark the box indicating that it does not wish to direct its proxy how to vote, otherwise the appointment of proxy form will be disregarded. If the Shareholder marks the box indicating that it does not wish to direct its proxy how to vote, the proxy may vote at his or her discretion. If the Shareholder marks the abstain box, it is directing its proxy not to vote on that item on a show of hands or on a poll and that its Shares are not to be counted in computing the required majority on that item.

Advice for Beneficial Holders

Shares may not be registered in the Shareholder's name but in the name of an intermediary (which is usually a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates). **A non-registered shareholder cannot be recognized at the Meeting for the purpose of voting his Shares unless such holder is appointed by the applicable intermediary as a proxyholder.**

The Company has distributed copies of the Meeting materials to intermediaries for distribution to non-registered Shareholders. Intermediaries are required to deliver these materials to all non-registered Shareholders of the Company who have not waived their rights to receive these materials, and to seek instructions as to how to vote the shares. Often, intermediaries will use a service company (such as Broadridge Financial Solutions Inc.) to forward these meeting materials to non-registered Shareholders.

Non-registered Shareholders who received meeting materials will be given a voting instruction form (a "VIF") which must be completed and signed by the non-registered Shareholder in accordance with the instructions noted on it. In this case, the mechanisms described above for registered Shareholders cannot be used and the instructions on the VIF **must** be followed (which in some cases may allow completion of the VIF by telephone or the Internet). The VIF is provided instead of a proxy. By returning the VIF in accordance with its instructions, a non-registered owner is able to instruct the registered Shareholder how to vote on behalf of the non-registered owner.

The purpose of these procedures is to allow non-registered Shareholders to direct the voting of the shares that they own but that are not registered in their name. Should a non-registered Shareholder wish to attend and vote at the Meeting in person (or have another person attend and vote on his behalf), the non-registered Shareholder should carefully follow the instructions provided on the VIF.

Proxies returned by intermediaries as "non-votes" because the intermediary has not received instructions from the non-registered Shareholder with respect to the voting of certain shares or, under applicable stock exchange or other rules, the intermediary does not have the discretion to vote those shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Shares represented by such broker "non-votes" will, however, be counted in determining whether there is a quorum.

Voting Shares and Record Date

The authorized capital of the Company consists of an unlimited number of Shares of which as of 19 October, 2009, a total of 338,286,375 Shares were issued and outstanding as fully paid. The Shares are the only shares of the Company entitled to be voted at the Meeting and subject to certain exclusions of votes described above, each Share is entitled to one vote at the Meeting.

The directors of the Company have set 20 October 2009 as the record date for determining the Shareholders of the Company entitled to receive the Notice of Meeting and 5.00 p.m. (WST) on 18 November 2009 as the record date for determining the Shareholders of the Company entitled to vote at the Meeting.

A simple majority of votes cast are required to approve all matters to be submitted to a vote of Shareholders at the Meeting.

Principal Holders of Shares

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, or exercises control or direction over directly or indirectly, Shares carrying 10% or more of the votes attached to all of the issued and outstanding Shares other than:

<u>Name</u>	<u>Total Number of Shares Owned, Controlled or Directed</u>	<u>Percentage of Voting Shares</u>
Dundee Corporation	49,467,208(1)	14.9%

Note:

(1) 47,267,208 of the Shares are held as of record by Goodman & Company, Investment Counsel Ltd. and 2,200,000 of the Shares are held as of record by Dundee Resources Limited.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets out information in respect of compensation plans under which equity securities of the Company are authorised for issuance as at 30 June 2009.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	4,958,900	A\$5.13	NIL
Equity compensation plans not approved by securityholders	NIL	NIL	NIL
Total	4,958,900	A\$5.13	NIL

Indebtedness of Directors and Executive Officers

As at 19 October, 2009, no executive officer, director, employee or former executive officer, director or employee of the Company or any subsidiary is indebted to the Company or any of its subsidiaries in connection with a purchase of securities or otherwise. In addition, as at 19 October, 2009 no executive officer, director, employee or former executive officer, director or employee of the Company is indebted to another entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or a subsidiary.

No person who is a director or executive officer of the Company, or who was a director or executive officer of the Company at any time during the most recently completed financial year, any proposed nominee for election as a director or any person who is an associate of any such director, executive officer, former director or former executive officer is, or at any time during the most recently completed financial year of the Company was, indebted to the Company or its subsidiary or to another entity if such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or a subsidiary.

Statement of Executive Compensation

Named Executive Officers

Set out below are particulars of compensation paid to the following persons (the "Named Executive Officers" or "NEOs"):

- the Company's chief executive officer for any part of the most recently completed financial year ("CEO");
- the Company's chief financial officer for any part of the most recently completed financial year ("CFO");
- each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company nor acting in a similar capacity at the end of that financial year.

As at June 30, 2009, the Company had four Named Executive Officers: Nicholas Poll, the Managing Director, Stephen Hills, the previous Chief Financial Officer and current Company Secretary, David Chapman, the Operations Manager, and Paulo Oliva, the Country Manager of Mirabela. Chris Els, the current Chief Financial Officer of the Company, assumed responsibilities on 1 August, 2009. There were no other executive officers of the Company or a subsidiary whose total salary and bonus exceeded C\$150,000 per annum for the financial year ended 30 June 2009.

Compensation Discussion & Analysis

In October, 2007 the Company established a remuneration and nomination committee (the "Remuneration Committee" or the "Remuneration and Nomination Committee"). The Remuneration Committee is, in part, responsible for reviewing and making recommendations to the Board concerning the appointment, compensation, benefits and termination of executive officers and all other senior employees of the Company. This committee also makes recommendations for a process for evaluating the effectiveness of the Board and recommendations concerning the composition and remuneration of the Board. The Remuneration and Nomination Committee currently consists of three members: Mr Sheard, (Chairman), Mr Clough and Mr Hamilton.

None of the members of the Remuneration and Nomination Committee has ever been an officer or employee of the Company or has, or has had, any relationship that requires disclosure by the Company under Form 51-102F2 *Information Circular*, Item 10 "Indebtedness of Directors and Executive Officers" or Item 11 "Interest of Informed Persons in Material Transactions". Each member of the Remuneration Committee is independent.

The overall objective of the Company's remuneration policy is to ensure compensation is fair and reasonable and sufficient to attract and retain qualified and experienced executives. The nature and amount of executive compensation is linked to the Company's financial and operational performance, so as to provide performance incentives which will allow executives to share in the success of the Company. Currently, the Company's performance has been determined by, and measured against, the development of its Santa Rita project (including financing thereof). Also, it is the Company's philosophy that the total fixed remuneration (excluding performance pay) for its executive officers be the median of that paid by comparable companies.

Generally, compensation is provided by the Company to its executive officers as a combination of salary, stock option grants and if the circumstances so warrant, bonuses.

In determining an executive officer's salary consideration is given to the individuals' performance, level of experience, level of responsibility and length of service.

The Company uses stock option grants to ensure that executive officers are motivated to maximize shareholder value by linking executive compensation to share price and rewarding those who make a long term contribution and commitment to the Company. The number and terms of outstanding options are taken into consideration when determining whether and how many new options should be granted.

In addition, as stated above, the total fixed remuneration paid to an executive officer (which includes base salary and option grants) is based on the total compensation paid by comparable companies.

Bonuses are used to reward executive officers for achieving certain objectives. The Company's performance and the performance of the individual during the period is considered in determining whether a bonus will be paid and if so, the amount of the bonus. In respect of the financial year ended June 30, 2009, following the completion of performance reviews by the Remuneration Committee, it was recommended that a bonus be paid to certain key management personnel in recognition of the successful capital raising and debt financing completed during the period, notwithstanding the severe global financial conditions. These cash bonuses were approved by the Board at a meeting held on 29 June 2009.

There is no scheme to provide retirement benefits, other than statutory superannuation, to executive officers and non-executive Directors.

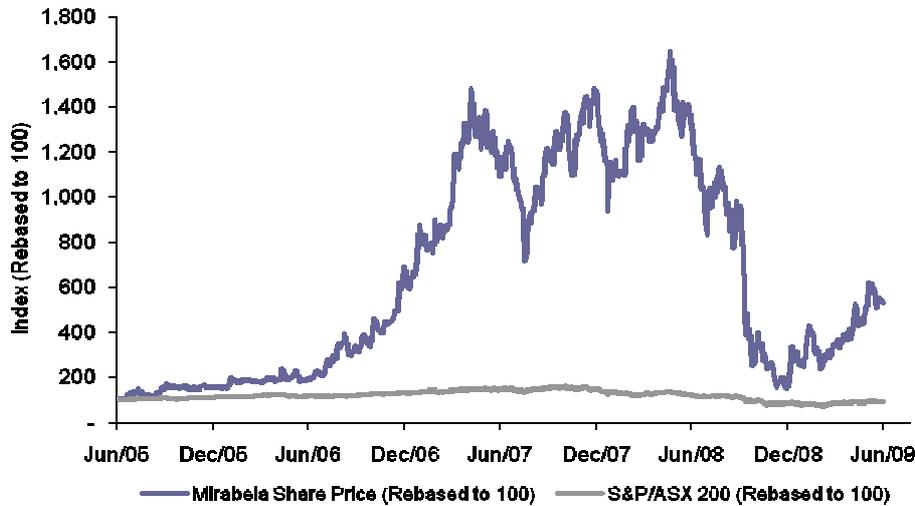
Compensation of the Managing Director and Chief Executive Officer includes a base cash compensation level and, at the discretion of the Board, stock option grants. The compensation of the Managing Director and Chief Executive Officer is reviewed annually. The compensation of the Managing Director and Chief Executive Officer is determined in accordance with the factors described above for the compensation of the Company's executive officers generally. More particularly however, in determining the Managing Director and Chief Executive Officer's compensation, members of the Remuneration and Nomination Committee have regard to: (i) current base compensation; (ii) past performance; (iii) objectives for the ensuing year; (iv) market and industry practice and trends; and (v) when appropriate, the advice of independent experts. It is the Company's objective that the total level of remuneration paid to its Chief Executive Officer reflect the Company's performance and performance of the Managing Director and Chief Executive Officer, including the success of the Company's exploration and development program and the overall effectiveness of its corporate strategy.

The compensation package awarded to the Company's Managing Director and Chief Executive Officer, Mr Nick Poll, in respect of the most recently completed financial year, reflects Mr Polls' service to the Company as Managing Director. The Remuneration and Nomination Committee believes that Mr Poll's compensation is consistent with that paid to individuals with comparable responsibility and value within the resource industry and reflects his contribution to the development of the Santa Rita project.

Given the evolving nature of the Company's business, the Company's overall compensation plan is under constant review so as to ensure that it continues to address its objectives. In particular, during the most recently completed financial year the Remuneration and Nomination Committee engaged human resources consultants Gerard Daniels to undertake a remuneration review for the positions of Managing Director or Chief Executive Officer, Corporate Director, Chief Financial Officer/Company Secretary and Operations Manager. The review provided recommendations for base remuneration for the four positions from 1 July 2008 and description of the bonus schemes of peer companies to assist in determining a reasonable bonus system for the Company's executives.

Performance Graph

The following graph compares, assuming an initial investment of \$100, the yearly percentage change in the Company's cumulative total shareholder return on its Shares against the cumulative total shareholder return of the S&P/ASX 200 Index for the Company's completed financial years following its listing on the ASX in July 2004.



	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
Mirabela Nickel Ltd	100.00	191.67	1,091.67	1,314.58	529.17
S&P/ ASX 200 Index	100.00	118.62	146.70	121.92	92.46

As the Company has not yet achieved operational status, its reported earnings are not relevant as a measure of performance on shareholder return. The value of stock options granted to the Company's personnel is directly linked to the performance of the Company's share price, and as a consequence is directly aligned with shareholder return.

Option-Based Awards

Option based awards are considered as components of both short term and long term incentive compensation. Options are issued to key management personnel at the discretion of the Board, upon the recommendation of the Remuneration and Nomination Committee. Share options vest upon the optionee remaining employed by the Company for a specified period of time and, in respect of grants to key management personnel, upon the Company and/or the individual attaining certain milestones. Previous grants of option-based awards are taken into account when considering new grants.

Summary Compensation Table

The following table and the notes thereto summarize, on an annualized basis, the compensation of the Named Executive Officers.

Name and Principal Position	Year	Salary	Share-based awards	Option-based awards	Non-equity incentive plan compensation		Pension value(1)	All Other compensation	Total compensation
					Annual incentive plans	Long-term incentive plans			
					(A\$)	(A\$)			
Nicholas John Poll Managing Director and Chief Executive Officer	2009	450,000	NIL	NIL	225,000	NIL	NIL	NIL	675,000
Stephen Ernest Hills⁽¹⁾ Chief Financial Officer and Company Secretary	2009	272,307	NIL	NIL	90,000	NIL	21,600	NIL	383,907
David Chapman Operations Manager	2009	260,000	NIL	NIL	100,000	NIL	23,400	NIL	383,400
Paulo Oliva Country Manager	2009	157,220	NIL	NIL	NIL	NIL	NIL	NIL	157,220

Notes:

- (1) Payments reflected in this column are in respect of statutory superannuation contributions paid for retirement funding purposes.

Mr Poll did not receive any remuneration from the Company during the recently completed financial year for services as a director.

Narrative Discussion

The total fixed remuneration provided to the Named Executive Officers consists of a base salary and in the case of Messrs Hills and Chapman also includes statutory superannuation payments. No options were granted to the Named Executive Officers Option during the most recently completed financial year. Non-equity incentive compensation consisted of cash bonuses awarded in recognition of the successful capital raising and debt financing completed during the financial year ended 30 June 2009, notwithstanding severe global financial conditions. These cash bonuses were approved by the Board on 29 June 2009.

Incentive Plan Awards

Outstanding share-based awards and option-based awards

The following table discloses the individual outstanding share-based awards and option-based awards outstanding at the end of the most recently completed financial year to each Named Executive Officer.

Named Executive Officer	Option Based Awards				Share-Based Awards	
	Number of Securities underlying unexercised option (#)	Option exercise price (A\$)	Option expiration date (date)	Value of unexercised in-the-money options ⁽¹⁾ (A\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (A\$)
Nicholas John Poll Managing Director and Chief Executive Officer	1,200,000	5.60	February 23, 2011	NIL	NIL	NIL
Stephen Ernest Hills Chief Financial Officer and Company Secretary	300,000	0.95	April 30, 2010	477,000	NIL	NIL
David Chapman Operations Manager	200,000	0.95	April 30, 2010	318,000	NIL	NIL
Paulo Oliva Country Manager	150,000	6.20	June 30, 2011	NIL	NIL	NIL

Notes:

⁽¹⁾ A value is only shown in this column if the unexercised options have also vested. If a value is shown it is calculated by reference to the difference between the share price at year end and the exercise price, multiplied by the number of options that are vested and exercisable.

All options are exercisable for fully paid ordinary shares in the capital of the Company.

Incentive plan awards – value vested or earned during the year

The following table summarizes the aggregate value vested or earned during the most recently completed financial year to each NEO for all incentive plan awards.

Named Executive Officer	Option-based awards – Value vested during the year (A\$)	Share-based awards – Value vested during the year (A\$)	Non-equity incentive plan compensation – Value earned during the year (A\$)
Nicholas John Poll Managing Director and Chief Executive Officer	NIL	NIL	225,000
Stephen Ernest Hills Chief Financial Officer and Company Secretary	159,000	NIL	90,000
David Chapman Operations Manager	318,000	NIL	100,000
Paulo Oliva Country Manager	NIL	NIL	NIL

Narrative Discussion

During the year ended 30 June 2009 a total of 300,000 unlisted options vested upon the Company obtaining funding for the Santa Rita project. As previously stated, non-equity incentive compensation was paid in recognition of the successful capital raising and debt financing completed during the financial year ended 30 June 2009, notwithstanding severe global financial conditions.

Pension Plan Benefits

The Company does not have a pension plan and has not provided any pension plan benefits, other than statutory superannuation, to its Named Executive Officers.

Termination and Change of Control Benefits

The Company has entered into an executive services agreement with Mr Poll dated March 22, 2007 (the "**Poll Employment Agreement**") pursuant to which Mr Poll is employed as Managing Director and Chief Executive Officer of Mirabela for an indefinite term until terminated in accordance with the terms of the agreement. Pursuant to the Poll Employment Agreement, as reviewed and amended, effective from July 1, 2008 Mr Poll is paid an annual salary of A\$450,000 per year (inclusive of superannuation obligations), to be reviewed annually. Additionally, Mr Poll is entitled to be reimbursed for certain expenses incurred at the request of Mirabela and, at the discretion of the Board, to a performance-based bonus and shares or share options. Under the terms of the Poll Employment Agreement:

- the Company may terminate Mr Poll's employment upon occurrence of certain events including Mr Poll's failure to comply with any lawful direction given by the Board, the commission of a serious or consistent breach of the agreement or conviction of any major criminal offence;
- the Company may terminate the agreement at any time by either giving six months' notice in writing and three months' salary to Mr Poll or paying nine months' salary in lieu of notice;
- Mr Poll may terminate his employment upon providing three months' notice to the Company; and
- in the event of a change of control of the Company, Mr Poll may, at his discretion, terminate his employment and be entitled to a termination payment equal to 12 months' salary.

The Company has entered into employment agreements with each of Mr Hills and Mr Chapman dated 26 March 2007 pursuant to which Mr Hills agreed to provide services as Chief Financial Officer and Company Secretary and Mr Chapman agreed to provide services as Operations Manager.

The terms of the employment agreements with each of Mr Hills and Mr Chapman are substantially similar to the Poll Employment Agreement except that:

- with effect July 1, 2009 Mr Hills will be paid an annual salary thereunder of A\$253,294 and Mr Chapman will be paid an annual salary thereunder of A\$275,229 and, a superannuation benefit of A\$22,706 and A\$24,771, respectively;
- the Company may terminate the agreements at any time by either giving three months' notice in writing or three months' salary in lieu of notice; and
- in the event of a change of control of the Company, each of Mr Hills and Chapman may, at his discretion, terminate his employment and be entitled to a termination payment equal to six months' salary.

With effect from August 1, 2009 Mr Hills's employment agreement was amended to reflect that Mr Hills ceased to provide services as Chief Financial Officer as of that date, but continues to provide services as Company Secretary according to the same terms and conditions.

Mr Oliva provides services as the Company's Operations Manager and acts as the Company's registered Brazilian legal representative and technical representative through ProLiva Geologia and Minerçao Ltd. ("**Oliva Consulting Co.**"), a company controlled by Mr Oliva. Effective July 1, 2007, Mr Oliva is entitled to a monthly retainer of R\$33,333 (Brazilian Reals).

The Company has entered into standard protection deeds (the "**Deeds**") with each of its Directors and certain of its Officers which provide for, amongst other things, an indemnity of the Directors and Officers, to the extent permitted by law, against any liability which they may incur while carrying out duties as Directors or Officers of the Company, access to the documents of the Board of the Company and the provision of Directors' and Officer's insurance.

The Company has entered into an employment agreement with Mr Els dated August 1, 2009 (the "**Els Employment Agreement**") pursuant to which Mr Els is employed as Chief Financial Officer of Mirabela for an indefinite term until terminated in accordance with the terms of the agreement. Pursuant to the Els Employment Agreement, Mr Els is paid an annual salary of A\$370,600 per

year (inclusive of superannuation obligations), to be reviewed annually. Additionally, Mr Els is entitled to be reimbursed for certain expenses incurred at the request of Mirabela and, at the discretion of the Board, to a performance-based bonus and shares or share options. Under the terms of the Els Employment Agreement:

- the Company may terminate Mr Els's employment upon occurrence of certain events including Mr Els's failure to comply with any lawful direction given by the Board, the commission of a serious or consistent breach of the agreement or conviction of any major criminal offence;
- the Company may terminate the agreement at any time by either giving three months' notice in writing or paying three months' salary in lieu of notice;
- Mr Els may terminate his employment upon providing three months' notice to the Company; and
- in the event of a change of control of the Company, Mr Els may, at his discretion, terminate his employment and be entitled to a termination payment equal to three months' salary in addition to all other entitlements on termination.
- In the event the Company terminates Mr Els's employment without cause, Mr Els will be entitled to a payment equal to three month salary in addition to all other entitlements on termination.

Other than the agreements described above, the Deeds and the payment of Directors' fees (discussed below), for the most recently completed financial year there are no employment contracts or other arrangements in existence between the Company or its subsidiary and any Director or Officer of the Company and there is no arrangement or agreement made between the Company and any of its Named Executive Officers pursuant to which a payment or other benefit is to be made or given by way of compensation in the event of that Officer's resignation, retirement or other termination of employment, or in the event of a change of control of the Company or a change in the Named Executive Officer's responsibilities following such a change of control.

Compensation of Directors

The following table sets out all amounts of compensation provided to the directors for the Company's most recently completed financial year:

Name	Fees Earned (A\$)	Share-based awards	Option-based awards (A\$)	Non-equity incentive plan compensation	Pension value	All other compensation (A\$)	Total (A\$)
William McRae Clough	60,000	NIL	NIL	NIL	NIL	NIL	60,000
Craig Ian Burton	NIL	NIL	NIL	250,000	NIL	400,000	650,000
S. Nicholas Sheard	60,000	NIL	NIL	NIL	NIL	NIL	60,000
Joseph Hamilton	60,000	NIL	NIL	NIL	NIL	NIL	60,000

Narrative Discussion

During the most recently completed financial year, in addition to the compensation arrangements for the Named Executive Officers, each non-executive director received A\$60,000 for their services as directors. Generally, directors of Mirabela do not receive additional amounts for committee participation or special assignments, however should the non-executive directors provide services in excess of those expected of such a position, the Company will provide reasonable remuneration for those services. There are no other arrangements under which directors were compensated for their services as directors. During the financial year ended June 30, 2009, Craig Burton was paid A\$400,000 for services provided as a consultant and an additional A\$250,000 as a cash bonus, in each case, in respect of the successful capital raising and debt financing activities completed during the period. No such services were provided by the other directors during the financial year ended June 30, 2009.

Incentive Plan Awards

Outstanding share-based awards and option-based awards

The following table discloses the individual outstanding share-based awards and option-based awards outstanding at the end of the most recently completed financial year to each director of the Company.

Director	Option Based Awards			Share-Based Awards		
	Number of Securities underlying unexercised option (#)	Option exercise price (A\$)	Option expiration date (date)	Value of unexercised in-the-money options (1) (A\$)	Number of share or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (A\$)
William McRae Clough	NIL	NIL	NIL	NIL	NIL	NIL
Craig Ian Burton	600,000	5.60	February 23, 2011	NIL	NIL	NIL
S. Nicholas Sheard	150,000	6.20	September 7, 2011	NIL	NIL	NIL
Joseph Hamilton	150,000	6.20	September 7, 2011	NIL	NIL	NIL

Notes:

(1) A value is only shown in this column if the unexercised options have also vested. If a value is shown it is calculated by reference to the difference between the share price at year end and the exercise price, multiplied by the number of options that are vested and exercisable.

All options are exercisable for fully paid ordinary shares in the capital of the Company.

Incentive plan awards – value vested or earned during the year

The following table summarizes the aggregate value vested or earned during the most recently completed financial year to each Director for all incentive plan awards.

Director	Option-based awards – Value vested during the year (A\$)	Share-based awards – Value vested during the year (A\$)	Non-equity incentive plan compensation – Value earned during the year (A\$)
William McRae Clough	NIL	NIL	NIL
Craig Ian Burton	NIL	NIL	250,000
S. Nicholas Sheard	NIL	NIL	NIL
Joseph Hamilton	NIL	NIL	NIL

Narrative Discussion

No options or share based awards vested during the year. As previously stated, Mr Burton received a cash bonus of A\$250,000 in connection with consultancy services provided during the year.

Outstanding share-based awards and option-based awards

The following table discloses the individual outstanding share-based awards and option-based awards outstanding at the end of the most recently completed financial year to each Director.

Director	Option Based Awards			Share-Based Awards		
	Number of Securities underlying unexercised option (#)	Option exercise price (A\$)	Option expiration date (date)	Value of unexercised in-the-money options (1) (A\$)	Number of share or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (A\$)
William McRae Clough	NIL	NIL	NIL	NIL	NIL	NIL
Craig Ian Burton	600,000	5.60	February 23, 2011	NIL	NIL	NIL
S. Nicholas Sheard	150,000	6.20	September 7, 2011	NIL	NIL	NIL
Joseph Hamilton	150,000	6.20	September 7, 2011	NIL	NIL	NIL

Notes:

(1) A value is only shown in this column if the unexercised options have also vested. If a value is shown it is calculated by reference to the difference between the share price at year end and the exercise price, multiplied by the number of options that are vested and exercisable.

All options are exercisable for fully paid ordinary shares in the capital of the Company.

Incentive plan awards – value vested or earned during the year

The following table summarizes the aggregate value vested or earned during the most recently completed financial year to each Director for all incentive plan awards.

Director	Option-based awards – Value	Share-based awards – Value	Non-equity incentive plan
	vested during the year	vested during the year	compensation –
	(A\$)	(A\$)	Value earned during the year
			(A\$)
William McRae Clough	NIL	NIL	NIL
Craig Ian Burton	NIL	NIL	250,000
S. Nicholas Sheard	NIL	NIL	NIL
Joseph Hamilton	NIL	NIL	NIL

Statement of Corporate Governance Practices

National Instrument 58-101 of the Canada Securities Administrators – *Disclosure of Corporate Governance Practices* ("NI 58-101") requires that the Company disclose in this Management Information Circular its system of corporate governance. NI 58-101 also sets out a series of guidelines for effective corporate governance which address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members.

Board of Directors

The Board of the Company is currently comprised of five directors, three of whom (a majority) are independent, namely, Messrs. Sheard, Hamilton, and Clough (Chairman of the Board). Mr Poll, the Managing Director and Chief Executive Officer and Mr Burton, the Corporate Director of the Company are not independent as they are both currently executive officers of the Company.

The independent directors do not hold regularly scheduled meetings at which the non-independent directors and members of management are not in attendance. The Board considers that such meetings are not necessary considering the current size of the Company and breadth of membership of the Board, and given that the Board promotes generally open and candid discussions among independent directors. However, as required, the independent directors ask that non-independent directors excuse themselves from Board meetings when appropriate. The Board believes that this procedure is appropriate given the size of the Company. The role and responsibilities of the Chair of the Board are set out in the Board charter attached hereto as **Appendix B**.

The attendance record of the Directors at meetings of the Board held since the beginning of the Company's most recently completed financial year was as follows.

Director	Type of Meeting	
	Board of Directors	Audit Committee
William McRae Clough	13	4
Craig Ian Burton	14	N/A
Nicholas John Poll	14	N/A
S. Nicholas Sheard	12	4
Joe Hamilton	11	4

Other Directorships

The following directors of the Company are directors of other issuers that are reporting issuers or the equivalent in Canada or elsewhere:

Director	Reporting Issuer
William McRae Clough	Serabi Mining plc
Craig Ian Burton	Solimar Energy Limited Exco Resources Limited Wildhorse Energy Limited Matra Petroleum plc Everyday Mining Services Ltd
Nicholas John Poll	Nil
S. Nicholas Sheard	Carpentaria Exploration Ltd
Joe Hamilton	Noront Resources Ltd GA Capital Corp. Malbex Resources Ltd.

Board Mandate

The Board has adopted a written charter, a copy of which is attached as **Appendix B** hereto. Generally speaking, the Board is responsible for the protection and enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the Company including formulating (with management) its strategic direction, approving and monitoring capital expenditures, setting remuneration, appointing, removing and creating succession policies for directors and executive officers, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal control and management information systems. It is also responsible for monitoring financial and other reporting.

Position Descriptions

Other than as set out in the Board charter, the Board has not adopted written position descriptions for the Chairman of the Board on the basis that the role of the Chairman of the Board is well understood by all of the Directors. Similarly, other than as set out in the Board charter, the Board has not adopted a written position description for the Chief Executive Officer, Mr Poll, on the basis that his role and responsibilities are well understood by him and by the other Directors. The role of chair of the Audit Committee and Remuneration Committee are set out in the respective charter.

Orientation and Continuing Education

The Company does not provide a formal orientation or education program for new directors. However, new directors are educated about the nature and operation of the Company's business, current issues, corporate strategy and the role of the Board, its committees and its directors by the current directors and senior officers. The Board encourages directors to participate in continuing education opportunities in order to ensure that directors maintain or enhance their skills and abilities as directors, and maintain a current and thorough understanding of the Company's business.

Ethical Business Conduct

Directors of the Company must keep the Board advised, on an on-going basis, of any material personal interest in a matter that relates to the affairs of the Company. Where a director has a personal interest in a matter, the director will remove himself from any deliberations regarding the matter to which the conflict relates.

To encourage ethical business practices, with the prior approval of the Chairman or independent directors, each director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil his duties and responsibilities as a director.

The board has also adopted a written code for the Company's directors, officers and employees. A copy of the code of conduct is available on the Company's website (www.mirabela.com.au). The board monitors compliance with the code by requiring management and supervisors to assume responsibility for the conduct of those who report to them.

Nomination and Compensation of Directors

The Remuneration and Nomination Committee is responsible for all matters related to director recruitment, orientation, compensation and continuing education and evaluations of the Board, its committees and its members including periodically assessing the skills present on the Board, making recommendations as to whether and how those skills ought to, or could be, enhanced, implementing a process for the identification of suitable candidates for appointment to the Board. However, given its size, the Board has not yet adopted a formal process for identifying new candidates for nomination.

The charter of the Remuneration and Nomination Committee requires that all members be independent with the meaning of NI 58-101 and the *ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations*.

Other Board Committees

The Board currently has no standing committees other than the Audit Committee, and the Remuneration and Nomination Committee. The information prescribed by Part 5 of MI 52-110 is set out under the heading "Audit Committee" in the Company's Annual Information Form dated 28 September 2009.

Assessments

Although, the Remuneration and Nomination Committee has been delegated responsibility for recommending a process for the evaluation of the Board as a whole, committees of the Board and its individual members, given the size of the Company, assessments of the Board, its committees and its Directors continue to be carried out periodically on an informal basis. To date,

given the small size of the Board and the frequency with which its meetings are held, neither the Board nor the Remuneration and Nomination Committee has found it necessary to institute any formal process in order to satisfy itself that the Board, its committees and its individual Directors are performing effectively.

Interest of Certain Persons or Companies in Matters to be Acted Upon

No person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, the proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has a material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in the matters to be acted upon at the Meeting other than Messrs Hyde and Els, who have an interest in Resolution 3.

Interest of Informed Persons in Material Transactions

Since the commencement of the Company's most recently completed financial year there were no transactions and there are no proposed transactions that has materially affected or would materially affect the Company or any of its subsidiaries in which any informed person of the Company, or any proposed director of the Company or any associate or affiliate of any informed person, or any proposed director of the Company has any material interest (direct or indirect).

Auditors

The auditor of the Company is KPMG. KPMG was first appointed as auditor of the Company on 23 February 2005.

Additional Information

The Company will provide to any person, upon request to the Company Secretary, a copy of the Company's 2009 Annual Report which includes the financial statements of the Company for the most recently completed financial year and the audit opinion issued thereon and/or one copy of the Company's MD&A in respect of such financial strategy.

Copies of the above document will be provided free of charge to Shareholders. The Company may require the payment of a reasonable charge by any person or company who is not a Shareholder of the Company, and who requests a copy of such document. Additional information relating to the Company can be found at www.asx.com.au or at www.sedar.com.

ENQUIRIES

Shareholders can contact Stephen Hills, Company Secretary, at +61 (08) 9324 1177 if they have any queries in respect of the matters set out in these documents.

APPROVAL OF THIS EXPLANATORY MEMORANDUM AND MANAGEMENT INFORMATION CIRCULAR

The contents and the sending of this Explanatory Memorandum and Management Information Circular have been approved by the Directors of the Company.

By order of the Board of Directors



Stephen Hills

Company Secretary

19 OCTOBER 2009

APPENDIX A

EMPLOYEE OPTIONS GRANTED TO BRYAN HYDE AND CHRIS ELS

Terms and Conditions of Employee Options

The Employee Options granted to Messrs Hyde and Els are subject to a vesting hurdle. The expiry date, the exercise price and the vesting hurdle for the Employee Options are as follows:

Employee Option holder	Expiry Date	Exercise price	Vesting hurdle
Bryan Hyde	30 June 2014	A\$3.00	The completion of eighteen months continuous service with the Company, vesting pro-rata over the term of service.
Chris Els	30 June 2014	A\$3.00	The completion of two years continuous service with the Company, vesting pro-rata over the term of service.

Otherwise the terms and conditions of the Employee Options are as follows:

- (i) Each Employee Option entitles the holder to subscribe for one fully paid ordinary share in the Company ("**Share**").
- (ii) Application will not be made to ASX or TSX for official quotation of the Employee Options.
- (iii) The Employee Options will be issued for nil consideration and, subject to clauses (iv), (xiii) and (xiv), are exercisable by the Employee Option holder on or before the date specified in the table above ("**Expiry Date**") by completing an option exercise form and delivering it to the Company's share registry.
- (iv) If the Employee Option holder ceases to be either an employee or consultant of the Company, then unless the Company agrees otherwise, any unexercised Employee Options will automatically lapse on the date that is 21 days after that occurring.
- (v) The Employee Options for each Employee Option holder will vest on meeting the vesting hurdle as set out in the table above.
- (vi) The Employee Option exercise price is specified in the table above.
- (vii) The Employee Options are not transferable, without prior approval of the Board.
- (viii) All Shares issued upon exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company will apply for quotation by ASX within 3 business days of all Shares issued upon exercise of the Employee Options. All Shares issued upon exercise of the Employee Options will also be listed on the TSX.
- (ix) There are no participating rights or entitlements inherent in the Employee Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Employee Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 9 business days after the issue is announced. This will give Employee Option holders the opportunity to exercise their Employee Options prior to the date for determining entitlements to participate in any such issue.
- (x) There will be no change to the exercise price of the Employee Options or the number of Shares over which the Employee Options are exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares in the Company (other than a Bonus Issue as defined in paragraph (xi) below).
- (xi) If there is a bonus issue ("**Bonus Issue**") to the holders of Shares in the Company, the number of Shares over which the Employee Options are exercisable will be increased by the number of Shares which the holder would have received if the Employee Options had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares of the class on issue as at the date of issue of the Bonus Shares.
- (xii) The rights of an Employee Option holder will be changed to the extent necessary to comply with the ASX Listing Rules (and the rules of the TSX) applying to a reorganisation of capital at the time of the reorganisation.

- (xiii) The Company will at least 20 Business Days before the Expiry Date of the Employee Options send notices to the Employee Option holders stating the name of the Employee Option holder, the number of Employee Options held and the number of Shares issuable on exercise of the Employee Options, the exercise price, the due date for payment and the consequences of non-payment.
- (xiv) Subject to clause (xv), the Employee Options are only exercisable after they vest. The vesting hurdles for each Employee Option holder are as determined by the Company in respect of each such optionholder upon issue of the Employee Options.
- (xv) Notwithstanding clause (xiv) and any vesting terms imposed in respect of the Employee Options under that clause, all Employee Options may be exercised by the Employee Option holder:
 - a. at any time after a Change of Control Event has occurred;
 - b. on an application under section 411 of the Corporations Act 2001, if a court orders a meeting to be held concerning a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company; or
 - c. in the event a takeover bid (as defined in the Corporations Act 2001) to acquire any Shares becomes or is declared to be unconditional, irrespective of whether the takeover bid extends to Shares issued and allotted after the date of the takeover bid or not.

For the purposes of this clause:

Change of Control Event means a shareholder, or group of associated shareholders, being entitled to sufficient shares in the Company to give it or them the ability, and that ability is successfully exercised, to replace all or a majority of the Board.

APPENDIX B

BOARD CHARTER

The Board of Directors (**Board**) of Mirabela Nickel Limited (**Company**) considers that the essential responsibility of directors is to oversee the Company's activities for the benefit of its shareholders, employees and other stakeholders and to protect and enhance shareholder value.

A. ROLE, COMPOSITION, ADMINISTRATION AND RESPONSIBILITIES

1. Purpose and Role

The primary role of the Board is the protection and enhancement of long-term shareholder value.

2. Composition

There shall be a minimum of three directors.

The chairperson and managing director roles should not be exercised by the same person.

The Board shall comprise a majority of directors who qualify as independent directors, under applicable law, and directors with an appropriate mix of skills, experience and expertise.

3. Orientation of New Directors

Each director appointed to the Board shall be provided with a package of comprehensive information on the Company, the responsibilities of a Board member and the Company's governance practices.

Each director appointed to the Board shall have the opportunity to meet with management of the Company to gain an understanding of the operating and strategic issues facing the Company, and the business environment in which it operates.

Each director is encouraged to take courses and seminars, at the expense of the Company, that focus on the development of the skills and knowledge required to be an effective director.

4. Access to Information and Independent Advice

Directors have access to any information they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions.

Directors have access to management to seek explanations and information from management and auditors, both internal and external, to seek explanations and information from them without management being present.

Any director may, subject to discussion and agreement with the other independent directors or the Chairman, request the engagement of an outside adviser (at the Company's expense) for independent professional advice they consider necessary to fulfil their responsibilities.

5. Responsibilities

The Board assumes responsibility for the stewardship of the Company and the overall direction, management and corporate governance of the Company. The Board is also responsible for:

- a) overseeing the management and overall corporate governance of the Company including its strategic direction;
- b) adopting a strategic planning process, contributing to the development of, and approving on an annual basis, a strategic plan that reflects the opportunities and risks of the Company's business;
- c) appointing, and, if necessary, removing senior management such as the managing director and chief financial officer;
- d) monitoring and assessing the performance of senior management, including performance objectives and the implementation of the Company's strategic plan, ensuring appropriate resources are available to senior management and that they are adequately experienced and trained;
- e) reviewing succession planning issues for senior management;
- f) to the extent feasible, satisfying itself as to the integrity of the managing director and other members of senior management and that such persons create a culture of integrity throughout the Company;

- g) reviewing and approving the Company's business plans, annual budget and financial plans including major capital expenditure initiatives;
- h) overseeing and monitoring the Company's organisational performance and the achievement of strategic goals and objectives;
- i) monitoring and ensuring compliance with legal and regulatory requirements and the Company's code of conduct;
- j) developing the Company's approach to corporate governance including developing a set of corporate governance principles and guidelines;
- k) approving and monitoring the progress of major capital expenditures and other corporate projects including acquisitions, mergers and divestitures including the issue of any securities;
- l) monitoring financial performance and reporting including approval of the annual, half yearly and quarterly reports;
- m) reviewing and approving processes for the identification, assessment, reporting and management of risks (including internal control and management information systems) and the maintenance and monitoring of these processes;
- n) enhancing and protecting the Company's reputation;
- o) approving and monitoring financial and other reporting;
- p) approving procedures for communicating with shareholders, stakeholders, analysts and other significant interested parties; and
- q) approving charters of Board committees.

6. Meetings

The Board shall meet at least six times per annum. Additional meetings will be convened as circumstances warrant.

Directors are expected to attend meetings of the Board and its committees on which they serve and to spend the time needed to properly discharge their duties and responsibilities and review meeting materials before Board meetings and meetings of committees on which they serve.

An agenda will be prepared by the Managing Director and the independent directors for each Board and committee meeting.

Directors are encouraged to ask questions of, request information from, and raise any issue of concern with management. Senior executive officers will be regularly involved in Board discussions.

7. Conflicts

Directors must disclose to the Board, and thereafter keep the Board advised on an ongoing basis, of any actual or potential conflict of interest or duty as soon as the situation arises.

If a conflict exists, it is expected that any director to whom the conflict relates will remove him or herself from any deliberations regarding the matter to which the conflict relates.

Directors are expected to inform the Chairman of any proposed appointment to the board or executive of another public company as soon as possible.

8. Review of Board Performance

After consideration the recommendations of the remuneration and compensation committee thereon, the Board will review its effectiveness and that of its committees and the contribution of individual directors.

After consideration the recommendations of the remuneration and compensation committee thereon the Board will determine the manner and form of the performance review.

The Board will, at least once in each financial year, review this Charter, and make any amendments it determines to be necessary and desirable.

B. THE BOARD AND MANAGEMENT

1. Delegation to the Managing Director

Responsibility for the day-to-day management of the Company is delegated by the Board to the managing director, who is accountable to the Board.

The managing director will manage the Company in accordance with the strategy, plans and policies approved by the Board.

The Board has determined that the managing director is appropriately qualified and experienced to discharge the required responsibilities.

The Board has in place procedures to assess the performance of the managing director.

2. Separation of Function between Chairman and Managing Director

The roles of the chairman and managing director must be separate.

3. Role and Responsibilities of Chairman

The chairman of the Board is appointed by the directors.

The chairman will be an independent director.

The chairman is responsible for:

- a) chairing Board meetings and general meetings;
- b) providing leadership to the Board and the Company;
- c) ensuring there are processes and procedures in place to evaluate the performance of the Board, its committees and individual directors and that such evaluations are conducted;
- d) facilitating effective discussions at Board meetings; and
- e) overseeing shareholder communications.

4. Responsibilities of Managing Director

The managing director is responsible for:

- a) managing the business of the Company to ensure ongoing viability and integrity;
- b) developing with the Board, then implementing and monitoring strategic plans for the Company;
- c) developing, implementing and monitoring annual budgets, business plans and financial plans;
- d) implementing and monitoring all major capital expenditures, and other corporate projects including acquisitions, mergers and divestitures, including the issue of any securities;
- e) developing and approving all material reporting and external communications by the Company;
- f) acting as the primary channel of communication between senior management and the Board;
- g) developing strategies for the development of the Company's mineral assets and, at the direction of the Board, overseeing the development of such assets;
- h) developing and ensuring that appropriate systems and processes for the identification, assessment reporting and management of risks (including internal control and management information systems) are implemented, maintained and monitored and that these systems and processes are effective;
- i) promoting and marketing the Company to investors;
- j) advising the Board in relation to all relevant issues affecting the Company and its operational and financial performance;
- k) establishing the agenda for Board meetings, in consultation with the independent directors;
- l) ensuring the proper implementation of the Company's policies, procedures and systems; and
- m) otherwise carrying out the day-to-day management of the Company.



MIRABELA NICKEL
LTD

ABN 23 108 161 593

FORM OF PROXY

This proxy is solicited on behalf of the management of Mirabela Nickel Limited ABN 23 108 161 593 (the "Company") for use at the meeting of the shareholders of the Company to be held at Level 31 Allendale Square, Perth, 77 St Georges Terrace, Perth WA 6000 on 20 November 2009 at 11.00 a.m. (local time) or any adjournment thereof (the "Meeting").

I/We being a shareholder of the Company and entitled to attend, act and vote at the Meeting hereby appoints:

The Chairman of the Meeting (mark with an "X") OR First Proxy

AND

Second Proxy

Or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions at the Meeting and at any adjournment of that meeting.

If you leave the section above blank, the Chairman of the Meeting will be your proxy.

If you have not appointed the Chairman of the Meeting as your proxy and you are appointing a second proxy please complete the following: Proxy 1 is appointed to represent _____% of my voting right and Proxy 2 is appointed to represent _____% of my total votes. My total voting right is _____ shares.
Note: If the appointment does not specify the proportion or number of votes that the proxy may exercise, each proxy may exercise half the votes.

With respect to any amendment or variations to the matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting, I/we confer discretionary authority on the person voting on behalf of me/us to vote as that person sees fit.



ABN 23 108 161 593

If you wish to indicate how your proxy is to vote, please tick the appropriate places below.

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Joseph Hamilton as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Grant of Options to Key Personnel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OR

If you do not wish to direct your proxy how to vote, please place a mark in the box. If you do not either mark the boxes directing your proxy how to vote or mark the box indicating that you do not wish to direct your proxy how to vote, this appointment of proxy form will be disregarded. By marking this box you acknowledge that, if you have appointed the Chairman as your proxy, the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution. **The Chairman intends to vote in the affirmative for all resolutions in relation to undirected proxies.**

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and your votes will not be counted in computing the required majority on that item.

Shareholders registered in the Company's Australian share register must deliver their proxies prior to 11.00 a.m. WST on 18 November 2009 by mail to PO Box Z5184, Perth, 6831, Western Australia or by facsimile at (08) 9324 2171 or deliver to the registered office of the Company at Level 21, Allendale Square, 77 St. Georges Terrace, West Perth, Western Australia, 6000.

Shareholders registered in the Company's Canadian share register must deliver their proxies not later than 48 hours prior to the Meeting by mail to Equity Transfer & Trust Company, attention Proxy Department, at 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1 or by facsimile at 416 595-9593 .

Signed this day of 2009

PLEASE SIGN HERE

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Name: _____

Title: _____ (if applicable)

Name: _____

Title: _____ (if applicable)

If the date is not completed in the space provided above, this proxy shall be deemed to bear the date of mailing to shareholders of the accompanying Explanatory Statement and Management Information Circular.

INSTRUCTIONS

1. **Every shareholder has the right to appoint some other person or company of their choice, who need not be a shareholder, to attend and act on their behalf at the meeting. If you wish to appoint a person or company other than the Chairman, please insert the name of your proxyholder(s) the space provided (see reverse).**
2. If the securities are registered in the name of more than one owner (for example, joint ownership, trustees, executors, etc), then all those registered should sign this proxy. If you are voting on behalf of a corporation or another individual you may be required to provide documentation evidencing your power to sign this proxy with signing capacity stated.
3. This proxy should be signed in the exact manner as the name appears on the proxy.
4. If a shareholder appoints two proxies, each proxy may be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
5. Completion of a proxy form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
6. To be effective, proxies must be delivered by shareholders as follows:

Shareholders registered in the Company's Australian register must deliver their proxies prior to 11.00 a.m WST on 18 November 2009 by mail to PO Box Z5184, Perth, 6831, Western Australia or by facsimile at +61 (08) 9324 2171 or deliver to the registered office of the Company at Level 21, Allendale Square, 77 St. Georges Terrace, Perth, Western Australia, 6000.

Shareholders registered in the Company's Canadian register must deliver their proxies not later than 48 hours prior to the Meeting by mail to Equity Transfer & Trust Company, attention Proxy Department, at 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1 or by facsimile at +416 595-9593.
7. For the purposes of Regulation 7.11.37 of the Corporations Regulations the Company determines that shareholder holding shares at 5.00 p.m. WST on 18 November 2009 will be entitled to attend and vote at the Meeting.
8. The Chairman intends to vote in favour of all resolutions set out in the Notice of Meeting.
9. This proxy confers discretionary authority in respect of amendments to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting.
10. This proxy should be read in conjunction with the accompanying documentation provided by management of the Company.