



ASX Code: MBN

TSX Code: MNB

Number of shares:  
367,162,725

## Mirabela Nickel First Quarter 2010 MD&A Highlights

PERTH, AUSTRALIA – May 14, 2010: Mirabela Nickel Limited (“Mirabela” or the “Company”) (TSX: MNB, ASX: MBN) is pleased to publish the highlights from its MD&A (Management Discussion and Analysis) for the first quarter ended March 31, 2010.

The complete first quarter MD&A and financial statements are available on the Company’s website: www.mirabela.com.au and under the Company’s profile at www.sedar.com. All amounts are expressed in Australian dollars, unless otherwise stated.

During the first quarter 2010, Mirabela transitioned from commissioning to operations. As a result, mining revenues and costs are no longer being capitalized but are being treated as operational costs through the profit and loss.

This is the first full quarter of financial reporting for the Company as a producer of nickel concentrate. However, as the Company’s operations are in ramp up, management does not believe that these financial results will be indicative of the Company’s financial performance in future periods when it is in full production. As Mirabela moves to full production, sales and production volumes are expected to increase and unit costs are expected to decrease.

Key Financial Results	Three months ended 31-Mar-10
Gross sales	\$45.87m
Gross profit	\$5.26m
Net loss	(\$25.17m)
Net loss per share	(6.93 cents)
Nickel in Concentrate Produced (dmt)	1,991
Unit Cash Cost (USD/lb)	\$8.12
Realised Nickel Price (USD/lb)	\$9.70
Cash & cash equivalents	\$55.20m

Production Statistics	Measure	Three months ended 31-Mar-2010
<b>Mining</b>		
Total Material Mined	Tonnes	5,456,000
Ore Mined	Tonnes	653,000
Nickel Grade	%	0.56
<b>Processing</b>		
Total Ore Processed	Tonnes	778,000
Nickel Grade	%	0.51
Nickel Recovery	%	48
Nickel in Concentrate Produced	DMT	1,991
<b>Sales</b>		
Nickel in Concentrate Sold	DMT	1,987

The unit cash cost of production of US\$8.12 per pound of nickel was lower than management's target for the quarter due to a stronger ramp up production result. Management does not believe that the unit cash cost for the first quarter will be reflective of the unit cash cost once the operation is at full capacity.

A program of cost optimisation is underway, although the move to the lower end of the industry's cost curve will start in earnest after the 6.4Mtpa expansion is achieved during 2011.

<b>Unit Cash Costs</b>	<b>Measure</b>	<b>Three months ended 31-Mar-2010</b>
Payable Nickel Production*	lbs	3,906,565
Mining Cost	USD/lb	3.45
Processing Costs	USD/lb	2.84
Administration Cost	USD/lb	1.06
Transport/Shipping Cost	USD/lb	0.12
By-Product Credit**	USD/lb	(0.95)
<b>Operating Unit Cash Cost</b>	<b>USD/lb</b>	<b>6.52</b>
Smelter Charges	USD/lb	1.60
<b>Unit Cash Cost***</b>	<b>USD/lb</b>	<b>8.12</b>
Realised Nickel Price**	USD/lb	9.70

\*Average Payability of 89%

\*\* Including prior period QP (quotation period) adjustments and excluding hedging

\*\*\* Excludes royalty (5.5%)

\*\*\*\* Average exchange rates for the period USD/Real 1.80

## Outlook

Production guidance for the full year 2010 is between 10,500 and 12,500 tonnes of nickel in concentrate.

Whilst excellent progress has been achieved in ramping up all aspects of the operation during the first quarter, the mining ramp up is currently four weeks behind schedule. The operations team continues working towards achieving a sustainable throughput rate of 4.6Mtpa, on an annualized basis, during the second quarter of 2010.

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#### **Forward Looking Statement**

*Certain information in this news release, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws.*

*In making and providing the forward-looking information included in this news release, the Company has made numerous assumptions. These assumptions include among other things: (i) assumptions about the price of nickel and other base metals; (ii) that there are no material delays in the ramp up and optimisation of operations; (iii) anticipated costs and expenditures; (iv) future production and recovery; (v) that the supply and demand for nickel develops as expected. Management believes that the assumptions made and the expectations represented by such information are reasonable. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information including among other things the following: (i) the risk that production from the Santa Rita Project will not meet expectations; (ii) the risk that the Company will continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) the risk that capital and operating costs will be higher than anticipated; (v) decreases in the price of nickel; (vi) adverse fluctuations in foreign exchange rates; (vii) adverse fluctuations in interest rates.*

*The Company undertakes no obligation to reissue or update forward-looking information as a result of new information or events after the date of this news release except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.*