
COMPANY UPDATE

Perth, AUSTRALIA – 7 November 2013: Mirabela Nickel Limited (**Mirabela** or the **Company**) (ASX: MBN) wishes to provide the following update.

In the Company Update announcement to the ASX dated 4 November 2013, Mirabela advised that it had received notification from one of its two customers, Votorantim Metais Niquel S.A. (**Votorantim**), that the main transformer at its Fortaleza smelter has malfunctioned and as such the electric furnace is not able to operate. Votorantim has claimed that these circumstances are an event of force majeure and that as a result it is not currently obligated to purchase nickel concentrate pursuant to the Concentrate sale agreement (**Sales Agreement**).

Mirabela has the following significant debt structures currently in place:

- Mirabela's subsidiary, Mirabela Mineração do Brasil Ltda, has a US\$50 million facility with Banco Bradesco S.A, which is secured by the Company's contract with Votorantim (**Bradesco Facility**);
- Mirabela has on issue approximately US\$395 million of 8.75% senior unsecured notes due 2018 (**Notes**); and
- US\$55 million master funding and lease agreement with Caterpillar Financial Services Corporation. Year to date the outstanding balance is US\$11.23 million; and

Mirabela has taken preliminary legal advice from its legal counsel and is of the view that the notice received from Votorantim may constitute an event of default under the Bradesco Facility. If an event of default is triggered under the Bradesco Facility, and Bradesco chooses to enforce its rights by accelerating repayment, a cross default under the Notes may also be triggered. As required under the Bradesco Facility, Mirabela has provided notice of the potential event of default to Bradesco.

As outlined in the Company Update announcement to the ASX on 31 October 2013, Mirabela is currently discussing standstill arrangements with its financiers, including Bradesco.

CONTACT DETAILS

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