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INTERIM FINANCING

Perth, Australia – 30 December 2013: Mirabela Nickel Limited (the ***Company*** or ***Mirabela***) (ASX: MBN) is pleased to announce that it has secured a US$45 million loan (***Loan***) from a consortium of holders of the Company's US$395 million 8.75% Senior Unsecured Notes due 15 April 2018 (***Notes***).

The intention of the Loan is to provide the Company with sufficient liquidity to operate its business as discussions progress with all of Mirabela's key stakeholders regarding a comprehensive restructuring. At the date of this announcement, no binding agreements for the restructuring of Mirabela's debt obligations have been concluded nor has any opportunity or arrangement sufficiently progressed to be announced to the market. No assurance can be given at this stage that any definitive agreements or arrangements for a comprehensive restructuring will be reached with any party with which the Company may be in discussions.

The Company is receiving the Loan from certain members of an ad-hoc group of holders of its Notes. The ad-hoc group currently represents more than 65% of the Notes outstanding (***Ad-Hoc Group***). Mirabela continues to engage in constructive discussions with the Ad-Hoc Group, as well as other stakeholders, towards a long-term solution to its current financial issues. With the proceeds of the Loan, the Company intends to fully meet its obligations to both customers and suppliers.

A summary of the key terms of the Loan is attached as Annexure "A".

As a condition of the Loan, the previously announced standstill and waiver agreements with Mirabela's key creditors (as per Mirabela's 14 November 2013 Company Update announcement) have been extended to allow for restructuring discussions to continue.

The amended standstill agreement with Caterpillar provides, among other things, that Caterpillar will standstill and forbear from declaring a default or taking any enforcement action in respect of a default caused by the Company entering into restructuring discussions with its major creditors or the Loan, including the transactions contemplated by the restructuring discussions, until the earlier of the termination of the other standstill and waiver agreements or 23 July 2014.

The amended standstill agreement with the Ad-Hoc Group (***Ad-Hoc Group Standstill***) provides, among other things, that until 31 March 2014, the Ad-Hoc Group will not request, instruct or direct that the Trustee take action under the Indenture in respect of the Company's failure to make an interest payment as required on 15 October 2013 or in respect of the Loan, including the transactions contemplated.

The Ad-Hoc Group Standstill will terminate early in certain circumstances, including:

- the occurrence of an event of default under the Loan;
- the termination of a waiver or standstill arrangement with Bradesco or Caterpillar;
- the failure of the Company, Mirabela Mineração do Brasil Ltda (***Mirabela Brasil***) and Mirabela Investments Pty Ltd to maintain a cash balance in aggregate amount of US$5 million for a period of more than 3 consecutive business days;
- the occurrence of a new event of default under the Notes;
- breach of the Ad-Hoc Group Standstill or a representation, warranty or covenant under the Ad-Hoc Group Standstill; and

- any legal action being taken in connection with the winding-up, dissolution, administration, bankruptcy, voluntary re-organisation or analogous procedure in relation to Mirabela or Mirabela Brasil.

Pursuant to the Ad-Hoc Group Standstill, the Company has also covenanted to:

- not make any payment of interest or principal under its existing indebtedness, other than as specified in the Loan;
- make no capital expenditure in excess of certain limitations; and
- not enter into any transaction for the incurrence of indebtedness (other than limited permitted indebtedness) or liens securing indebtedness, disposition or sale of assets (other than specified permitted sales in the ordinary course) and payment of dividends and other restricted payments.

Pursuant to the amended waiver agreement with Bradesco (***Bradesco Waiver Agreement***), Bradesco has agreed to waive various events of default relating to the Loan until 31 March 2014 and has provided consent to the terms of the Loan and collateral granted under the Loan. The Bradesco Waiver Agreement can be terminated early in certain circumstances, including:

- in the case of a bankruptcy, "*recuperação judicial*" or "*recuperação extrajudicial*", as defined by the laws of Brazil, reorganisation arrangement or assignment for the benefit of creditors or insolvency proceedings, or proceedings looking toward dissolution or winding up, are filed or instituted by or against Mirabela Brasil under the law of any jurisdiction that are not discharged or stayed within 30 days;
- if Mirabela Brasil is insolvent or cannot pay its debts when they fall due; and
- if Mirabela Brasil admits its inability to pay its debts as they fall due.

In conjunction with the amended waiver agreement with Bradesco, the Company has agreed to make certain payments of interest and principal totalling approximately US$4.7 million against the outstanding loan facility with Bradesco.

The Company continues to be suspended from trading on ASX and its suspension is likely to remain in place while Mirabela continues discussions in respect of a comprehensive restructuring. However, as is customary in the US bond market, in order to ensure all holders of the Notes are provided with consistent information, Mirabela makes the following disclosure about the discussions held between the Company and its financial and technical advisers and the Ad-Hoc Group and its advisers, in the lead up to the execution of the Loan.

This disclosure is being furnished to comply with Mirabela's obligations under applicable legislation and should not be regarded as an indication that Mirabela or any other person considered, or now considers, this information to be predictive of actual future results, and does not constitute an admission or representation by any person that such information is material, or that the expectations, beliefs, opinions and assumptions that underlie these materials will remain the same as of the date of this disclosure. The information contained in these materials may be or have been superseded by subsequent developments. Readers are cautioned not to place undue reliance on these materials. The financial information reflected in this disclosure does not purport to present Mirabela's financial condition in accordance with accounting principles generally accepted in Australia, Brazil, the United States or any other country. Mirabela's independent accountants have not audited or performed any review procedures on this disclosure (except insofar as certain historical financial information may have been derived in part from Mirabela's historical annual financial statements).

During negotiations between the Company and the Ad-Hoc Group, Mirabela provided an internal short term cash flow analysis to the Ad-Hoc Group. The cash flow analysis assumed no disruption in the Company's current sales arrangements and that sales arrangements for the 50% of production not the subject of an operating offtake agreement in Q1 2014 are finalised. The cash flow analysis (after taking into account the Loan) indicated that if production of contained nickel continues at the current levels of approximately 1,200 tons per month with an ore grade and nickel recovery consistent with previously realised levels and current nickel pricing of approximately US$6.49/lb, the Company will have approximately US$51 million of cash[1] as at the date of initial drawdown under the Loan, being 30 December 2013, and approximately US$16 million at 14 March 2014.

The Company provided the Ad-Hoc Group with information regarding unencumbered assets available to provide collateral for the Loan. The Company estimates that the inventory of contained nickel in concentrate is approximately 1,200 dry metric tonnes as at the date of this release and 800 dry metric tonnes at 14 March 2014. Additionally, the Company estimates that as at the date of this release, the net book value of its unencumbered mobile mining fleet, inventory of stores, spares, critical spares and consumables, and unencumbered land to be approximately US$67 million.[2]

As part of the discussion process with the Ad-Hoc Group, the Company provided a series of longer-term cash flow analyses, based on certain assumptions inherent in the current adverse state of the nickel market, including a 50Mt Case; a 50Mt Stress Case; and a Reduced Mining Rate Case (***25Mt Case***). The Company noted that the analyses were not subject to the Company's usual detailed internal planning processes or third-party verification and were prepared solely for the purpose of discussions with the Ad-Hoc Group reflecting the Company's current financial distress and operational challenges. All scenarios reflected the Company's expectation of a challenging 2014 as the operational performance recovers from the current distress situation, and based on the Company's estimate of consensus nickel pricing forecasts. The 25Mt Case has assumed further operational challenges in 2014 that the 50Mt Case and 50 Mt Stress Case did not consider.

The key financial outcomes of the three cases are summarised in the table below:

For the Period 2014 to 2021:	**50Mt Case**	**50Mt Stress Case**	**25Mt Case**
Cashflow Pre Financing Costs (US$M)	(117.4)	(197.2)	(148.3)
Average Annual Nickel Production (Tonnes)	20,547	19,639	18,189
Average Nickel Grade	0.47%	0.47%	0.45%
Average Nickel Recovery	60.5%	58.1%	56.6%
Average Nickel Price (US$/lb)	7.67	7.67	7.67
Average BRL:USD exchange rate	2.46:1	2.46:1	2.46:1
Total Capital Spending (US$M)	538	538	431

For the Period 2014 to 2015:	**50Mt Case**	**50Mt Stress Case**	**25Mt Case**
Cashflow Pre Financing Costs (US$M)	(88.5)	(111.7)	(64.9)
Average Nickel Grade	0.51%	0.50%	0.40%
Average Nickel Recovery	59.4%	57.0%	49.4%

Due to the challenging nickel price environment, the Company is pursuing the 25Mt Case, which restricts mining material movement to approximately 25Mt for 2014 and 25Mt for 2015. The Company expects the required operational changes to be implemented by the end of Q1 2014.

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[1] US$37 million after providing for certain payments due to suppliers and others which are expected to be made immediately following the first draw down under the Loan
[2] Estimate pursuant to accounting principles for financial reporting purposes, may not reflect fair market value

In addition, the Company provided the Ad-Hoc Group with an estimate of the cost of placing the Santa Rita mining operation into care and maintenance. The cost of placing the operations in care and maintenance as part of an insolvency proceeding would be between approximately US$19 - US$46 million.

Finally, the Company and the Ad-Hoc Group also discussed a comprehensive restructuring. The terms of the initial non-binding potential recapitalisation discussed included a US$150m equity offering in which the new money providers would purchase a majority equity position in the reorganised Mirabela assuming that the entirety of the Notes would be exchanged for approximately US$135 million of new debt and a minority position of the equity in reorganised Mirabela. This initial recapitalisation plan was not progressed. Subsequently, the new debt component was removed from the proposal as a condition to the same new money investment.

Following the creation of the reduced mine plan noted above, the Company and the Ad-Hoc Group discussed a revised proposed recapitalisation which lowered the amount of the equity offering to US$100m. A non-binding term sheet for a recapitalisation of Mirabela was submitted as an exhibit to the Loan financing documents, which envisages a US$100 million equity offering. This amount may be reduced by the amount of the Loan which may or may not be converted to equity as a part of a comprehensive restructuring. The non-binding term sheet shows the post transaction equity ownership and capital structure of reorganised Mirabela as yet to be determined.

While the terms of a comprehensive restructuring continue to be discussed, at the date of this announcement no binding agreements for the restructuring of Mirabela's debt obligations have been concluded nor has any opportunity or arrangement sufficiently progressed to be announced to the market. No assurance can be given at this stage that any definitive agreements or arrangements will be reached with any party that the Company may be in discussions with.

The cash flow analysis referred to in this announcement reflect numerous assumptions and estimates regarding certain economic, market, and financial conditions, as well as matters specific to the Company's business, all of which are difficult to predict. The Company's indicative analysis covered multiple years and by its nature becomes less reliable with each successive year. Readers of this announcement are cautioned not to place undue reliance on the indicative information discussed by the Company and the Ad-Hoc Group.

The Directors of the Company are thankful for the level of support Mirabela has received from the Ad-Hoc Group across a number of continents. With this interim financing in place, the Company's operational employees on the ground in Brazil can continue to focus on the mining operation while the Company and its stakeholders work towards a long-term comprehensive restructuring.

CONTACT DETAILS

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DISCLAIMER - FORWARD LOOKING INFORMATION

Certain information in this document, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian & Australian securities laws. Such forward-looking information includes, but is not limited to, information which reflects management's expectations regarding Mirabela's results of operations.

In making and providing the forward-looking information included in this document, the Company has made numerous assumptions. These assumptions include among other things: (i) assumptions about the price of nickel and other base metals; (ii) assumptions about operating costs and expenditures; (iii) assumptions about future production and recovery; (iv) that the supply and demand for nickel develops as expected; (v) that there is no unanticipated fluctuation in interest rates and foreign exchange rates; and (vi) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. 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. Such risks, uncertainties and other factors include among other things the following: (i) decreases in the price of nickel and copper; (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) material increases in operating costs; (v) adverse fluctuations in foreign exchange rates; (vi) the risk that concentrate produced will not meet certain minimum specifications; (vii) production estimates may not be accurate; (viii) environmental risks and changes in environmental legislation; (ix) and failure to comply with restrictions and covenants under its debt arrangements.

The Company's MD&A and the Annual Information Form contain information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. All forward-looking information disclosed in this document is qualified by this cautionary statement.

Annexure "A" – Key Loan Terms

- Initial drawdown of US$30 million.
- Subsequent drawdowns of US$5 million each to be disbursed on or about 31 January 2014, 14 February 2014 and 21 February 2014.
- Interest rate of 3.5% per annum, payable in kind at the end of each calendar quarter, plus:
  - an original issue discount of 16.25% of the US$45 million of total commitments, payable upon the first disbursement; and
  - an upfront fee of 16.25% of the US$45 million of total commitments payable in kind upon the first disbursement.
- The Loan is guaranteed by Mirabela's subsidiaries.
- The Loan is secured by an Australian law general security agreement and share pledge over the quota of the Company's Brazilian subsidiary, Mirabela Brasil, plus a suite of Brazilian security documents, including fiduciary assignments over Mirabela Brasil's mineral rights contract (subject to necessary consents), moveable assets, inventories, unencumbered receivables and intercompany loans and a mortgage over Mirabela Brasil's real property.
- The Loan is repayable on the earlier to occur of a successful recapitalisation and 28 March 2014 (subject to an agreement to extend the maturity date if the recapitalisation is agreed but not completed by this date).
- The Brazilian security package must be perfected by 7 February 2014, subject to limited exceptions.
- Lenders have the right to appoint an observer to Mirabela's Board.
- Lenders to have the exclusive right for 60 days after the first draw down to work with Mirabela to determine a recapitalisation plan (subject to fiduciary duty exceptions).
- Definitive agreement for restructuring with the Ad-Hoc Group to be executed by 31 January 2014.
- Events of default include, among others:
  - failure to comply with milestone dates;
  - termination of forbearance arrangements with other creditors;
  - failure to make payments when due; and
  - change of control.