
COMPANY UPDATE

Perth, AUSTRALIA – 14 November 2013: Mirabela Nickel Limited (**Mirabela** or the **Company**) (ASX: MBN) is pleased to announce that it has entered into waiver and standstill arrangements with its major creditors.

Mirabela has the following significant debt structures currently in place:

- Mirabela has on issue approximately US\$395 million of 8.75% senior unsecured notes due 2018 (**Notes**).
- Mirabela's subsidiary, Mirabela Mineração do Brasil Ltda (**Mirabela Brasil**) has:
 - a US\$50 million facility with Banco Bradesco S.A (**Bradesco Facility**); and
 - a US\$55 million master funding and lease agreement with Caterpillar Financial Services Corporation (**Caterpillar Facility**). Year to date the outstanding balance is US\$9.1 million.

Mirabela has entered into standstill and forbearance agreements with both the ad-hoc group of Noteholders (which represent more than 50% of the Notes on issue) and Caterpillar.

The standstill agreement with Caterpillar (**Caterpillar Standstill**) provides, among other things, that, for an initial period of 60 days (which may be extended by election by either party for 30 days), that Caterpillar will standstill and forbear from exercising its enforcement rights under the Caterpillar Facility, or declare a default or take any enforcement action in respect of a default caused by the Company entering into restructuring discussions with its major creditors. The Caterpillar Standstill will terminate early in the event that a separate event of default occurs under the Caterpillar Facility.

The standstill agreement with the ad-hoc group of Noteholders (**Noteholder Standstill**) provides, among other things, that, for an initial period of 60 days (which may be extended by an additional 30 days), the Noteholders 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. The Noteholder Standstill will terminate early in certain circumstances, including:

- if, within 30 days of the date of the Noteholder Standstill, an initial restructuring and recapitalisation proposal is not delivered to the Noteholders (**Transaction**);
- if, within 60 days of the date of the Noteholder Standstill, a preliminary agreement in respect of a Transaction is not executed;
- the termination of a standstill arrangement with Bradesco or Caterpillar;
- the failure of the Company, Mirabela Brasil and certain guarantors of the Notes to maintain a cash balance in aggregate amount of US\$15 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 Noteholder Standstill or a representation, warranty or covenant under the Noteholder Standstill; and
- any legal action is 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 Noteholder 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 Noteholder Standstill;
- make no capital expenditure in excess of an aggregate of US\$7 million; and
- not enter into any transaction with an aggregate value of US\$10 million.



MIRABELA NICKEL
LTD

Mirabela has entered into a waiver agreement with Bradesco (**Waiver Agreement**), whereby Bradesco has agreed to waive any event of default which may arise under the Bradesco Facility as a result of the actions of Votorantim Metais Niquel S.A. in claiming an event of force majeure pursuant to its sales agreement with Mirabela Brasil, and any other event of default, for a period beginning on 13 November 2013 and ending on 23 January 2014. The Waiver Agreement will terminate early in certain circumstances, including:

- in the case of a bankruptcy, "*recuperacao judicial*" or "*recuperacao 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;
- a security to be granted over the receivables from the Norilsk sale agreement is not perfected within 30 days of the date of the Waiver Agreement;
- if Mirabela Brasil is insolvent or can not pay its debts when they fall due; and
- on the occurrence of a change of control of Mirabela Brasil.

The waiver and standstill arrangements will permit the Company to progress discussions of potential ways of restructuring Mirabela's debt. Currently, no binding agreements for a restructure 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.

CONTACT DETAILS

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