
COMPANY UPDATE

Perth, AUSTRALIA –1 October 2013: Mirabela Nickel Limited (**Mirabela** or the **Company**) (ASX: MBN, TSX: MNB) wishes to provide the following update.

In the Company and Operational Update announcement to the ASX dated 26 September 2013, Mirabela advised that it had received notification from one of its two customers, Votorantim Metais Niquel S.A. (**Votorantim**), that Votorantim intends to close their smelting facilities from November 2013 due to the adverse nickel market conditions. Votorantim considers that the concentrate sales agreement with Mirabela will terminate at the end of November 2013.

Mirabela has two 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**)

Mirabela has taken preliminary legal advice from its Australian 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.

Given that the Bradesco Facility and the Notes are both governed by New York law, the Company is seeking confirmatory legal advice from its US counsel in relation to these matters.

CONTACT DETAILS

John Stamopoulos
General Manager Commercial
Telephone: +61 406 424 916
shanik@mirabela.com.au

Chris Els
Chief Financial Officer & Company Secretary
Telephone: +61 439 930 333
shanik@mirabela.com.au