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## Appointment of Administrator and Restructuring Update

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Perth, AUSTRALIA – 25 February 2014: Mirabela Nickel Limited (**Mirabela** or the **Company**) (ASX: MBN) advises that Martin Madden, Clifford Rocke and David Winterbottom of KordaMentha have been appointed as Joint and Several Voluntary Administrators by resolution of the Board of Directors earlier today. The appointment of Joint and Several Voluntary Administrators is an important and necessary mechanic in progressing the Proposed Recapitalisation described below.

The Company continues to have the full support of the ad-hoc group of holders (**Ad-hoc Group**) of the Company's US\$395.0 million 8.75% Senior Unsecured Notes due 15 April 2018 (**Notes**), who have entered into a legally binding plan support agreement (**PSA**). The execution of the PSA establishes a framework for the proposed recapitalisation of the Company (**Proposed Recapitalisation**), subject to the satisfaction of the terms and conditions of the PSA. The PSA is available in the 'Investors' section of the Company's website and is also annexed to this announcement.

It is intended that the Company's operations at the Santa Rita Nickel mine will continue as usual during the administration. As disclosed in the Company's press release of 24 December 2013, the Company is pursuing a reduced mining volume in 2014 and 2015 of 25 million tonnes of waste and ore per annum.

Upon the consummation of the Proposed Recapitalisation, the Company and its subsidiaries' debt obligations, other than (i) the Notes and any guarantees thereof and (ii) the NSD (as defined below), will remain in place. The Proposed Recapitalisation is contingent upon Mirabela Mineração do Brasil Ltda. (**Mirabela Brazil**) agreeing to the continuation of credit facilities with Banco Bradesco S.A. and Caterpillar Financial Services Corporation on terms acceptable to the Ad-hoc Group.

At the end of the Proposed Recapitalisation process, the Company intends to apply for its suspension on ASX to be lifted.

Pursuant to the PSA, the key terms of the Proposed Recapitalisation include the following:

- the claims of the holders of Notes (**Noteholders**), including any guarantees thereof, shall be compromised and extinguished in exchange for their pro rata share of (i) 54.4% of the ordinary shares of reorganized Mirabela (**Mirabela Ordinary Shares**) on a fully-diluted basis (pro forma for the conversion, following the consummation of the Proposed Recapitalisation, of the Convertible Secured Notes described below) and (ii) a US\$5.0 million subordinated unsecured note with a 30-year maturity and a payable-in-kind interest rate of 1.0% per annum;
- existing Mirabela shareholders shall not receive any consideration in the Proposed Recapitalisation (other than retaining a de minimis percentage of Mirabela Ordinary Shares following the consummation of the Proposed Recapitalisation); and
- the Company shall raise US\$115.0 million of new capital (**New Capital**) through the issuance of secured notes (**Convertible Secured Notes**) convertible into Mirabela Ordinary Shares. All Noteholders shall be given the opportunity to subscribe to the New Capital. Upon the consummation of the Proposed Recapitalisation, prior to the accretion of the payable-in-kind interest described below, the Convertible Secured Notes shall be convertible into 42.3% of Mirabela Ordinary Shares on a fully-diluted basis.

Pursuant to the PSA, the Proposed Recapitalisation will be effectuated pursuant to a recapitalisation and restructuring plan to be implemented through (i) a deed of company arrangement in Australia (**Deed of Company Arrangement**), which will bind all Noteholders and shareholders, and (ii) an extrajudicial reorganization proceeding to be filed by Mirabela Brazil before the competent Brazilian court (**Brazilian Extrajudicial Reorganization**), which will bind all Noteholders. The Brazilian Extrajudicial Reorganization is necessary to implement the arrangements contemplated in the PSA with respect to the Notes and will not affect any other creditors of Mirabela Brazil. Implementation of the Proposed Recapitalisation will be conditional on, among other things, obtaining certain regulatory relief from ASIC and ASX.

Pursuant to the PSA, the Company's debt obligations under the Syndicated Note Subscription Deed dated as of 24 December 2013 (**NSD**) of approximately US\$60.0 million (comprising US\$45.0 million principal plus capitalised interest and fees) shall be converted into Convertible Secured Notes and shall reduce the amount of the New Capital on a dollar-for-dollar basis. The Noteholders that provided funding under the NSD (**Lenders**) will be paid a fee of 5.0% (**Rollover Fee**) (payable in Mirabela Ordinary Shares) of their pro rata share of the US\$60.0 million for converting their commitment under the NSD into Convertible Secured Notes.

Additionally, pursuant to the PSA, certain members of the Ad-hoc Group (**Backstop Parties**) have agreed to backstop the balance of US\$55.0 million of the New Capital in the form of a new money investment. A new capital fee of 10.25% (**New Capital Fee**) (also payable in Mirabela Ordinary Shares) will be payable to the Backstop Parties based on such members' backstop commitments.

Upon the consummation of the Proposed Recapitalisation, the Rollover Fee and the New Capital Fee will collectively amount to 3.3% of Mirabela Ordinary Shares on a fully-diluted basis (pro forma for the conversion of the Convertible Secured Notes).

Pursuant to the PSA, the Convertible Secured Notes will:

- have an interest rate of 9.5% per annum, payable in-kind on a semi-annual basis;
- have a term of 5 years; and
- be secured by a first-priority lien on all of the collateral securing the NSD, as well as by any additional unencumbered assets (subject to exceptions to be agreed).

The Company and the Ad-hoc Group evaluated other alternatives before determining to proceed with the Proposed Recapitalisation, including a sale of a controlling interest to another stakeholder in the Company, but determined that no other alternative provided a greater potential recovery to creditors than the Proposed Recapitalisation.

Although the Ad-hoc Group firmly believes that the implementation of the Proposed Recapitalisation is feasible, there is no assurance that it will be concluded. The PSA is subject to several termination events, including, but not limited to, (i) the failure to achieve certain milestones relating to the Deed of Company Arrangement and Brazilian Extrajudicial Reorganization by certain dates, (ii) a material adverse change in the condition (financial or otherwise), prospects, earnings, business or properties of the Company and its subsidiaries and (iii) the failure by a Backstop Party to honour its backstop commitment (subject to a replacement backstop commitment being provided by another Backstop Party).

As at the date of this announcement, Mirabela has cash on hand and on deposit of US\$31.9 million and nickel concentrate inventory of approximately 4,976 dry metric tonnes.

On 27 December 2013, Mirabela entered into a short-term contract with an international trading firm for the sale of 50% of Mirabela's entire quantity of nickel concentrate produced from 1 January 2014 to 31 March 2014 at an estimated quantity of approximately 16,500 wet metric tonnes of nickel concentrate during Q1. The contract expires on 31 March 2014.

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).

#### **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.*

## PLAN SUPPORT AGREEMENT

This **PLAN SUPPORT AGREEMENT** (including all schedules and exhibits hereto, this “**Agreement**”) is made and entered into as of February 24, 2014, by and among the undersigned Noteholders or investment managers or advisors thereof (collectively, the “**Consenting Noteholders**”).

### RECITALS

**WHEREAS**, certain Noteholders and their counsel and other advisors have engaged in arm’s-length, good-faith settlement discussions regarding a comprehensive restructuring and recapitalization of the Mirabela Group, and have proposed a transaction that will effectuate a financial restructuring of the Mirabela Group’s capital structure (the “**Restructuring**”), including the Mirabela Group’s indebtedness and obligations under that certain Indenture, dated as of April 14, 2011 (as amended, supplemented or otherwise modified from time to time, the “**Indenture**”), by and among the Mirabela Group and the Bank of New York Mellon, as trustee, for the holders of 8.75% Senior Notes due 2018 (the “**Notes**”) pursuant to a consensual restructuring and recapitalization plan substantially in the form attached as Exhibit A (as amended or supplemented with the consent of the Consenting Noteholders in accordance with this Agreement, the “**Plan**”);

**WHEREAS**, each Consenting Noteholder agrees that the Restructuring will be implemented through the approval and adoption of the Plan pursuant to (i) the Deed of Company Arrangement in Australia and (ii) an extrajudicial reorganization (*recuperação extrajudicial*) proceeding to be filed by Mirabela Brazil before the competent Brazilian Court according to the provisions of Brazilian Federal Law n. 11.101/05 (the “**Brazilian EJ Proceeding**”); and

**WHEREAS**, each Consenting Noteholder and its counsel and other advisors has reviewed or has had the opportunity to review the Plan, and each Consenting Noteholder has agreed to the Restructuring on the terms set forth in the Plan.

**NOW, THEREFORE**, in consideration of the agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Consenting Noteholder, intending to be legally bound hereby, agrees as follows:

### AGREEMENT

#### ARTICLE I

#### DEFINED TERMS AND INTERPRETATION

Section 1.1 Definitions. As used in this Agreement, the following capitalized terms have the following meaning:

“**Additional Convertible Secured Note**” has the meaning set forth in the Plan Term Sheet.

“**Additional Convertible Secured Note Subscription Agreement**” means the New York law-governed subscription agreement pursuant to which the Additional Convertible Secured Notes are to be issued.

“**Administrative Agent**” means the administrative agent as appointed under the Syndicated Note Subscription Deed.

“**Administrator**” means the administrator appointed to the Company and Mirabela Investments either by:

- (a) the Company and Mirabela Investments; or
- (b) the Lenders under the Corporations Act.

“**Advancing New Capital Party**” has the meaning set forth in Section 3.2(b)(i)(B).

“**Agreement**” has the meaning set forth in the Preamble.

“**ASIC**” means the Australian Securities and Investments Commission.

“**ASX**” means ASX Limited (ABN 98 008 624 691).

“**Australian Restructuring**” means the recapitalization and restructuring of the Mirabela Group to take place in Australia necessary to implement the Plan.

“**Authorized Officer**” means any employee of whose title includes the word “Chief,” “Head,” “Manager,” “President,” “Vice President,” “Counsel,” “Executive,” “Senior” or “Director” or any person authorized by that member of the Ad-hoc Group generally or specifically to be an Authorized Officer.

“**Bradesco Credit Facility**” means that certain Credit Agreement, dated as of January 20, 2012, by and between Mirabela Brazil and Banco Bradesco S.A.

“**Brazilian Collateral Agent**” means the Brazilian collateral agent as appointed under the Syndicated Note Subscription Deed.

“**Brazilian EJ Plan**” means the extrajudicial reorganization (*plano de recuperação extrajudicial*) to be executed by Mirabela Brazil (and the Company and/or Mirabela Investments, as may be necessary) and the Consenting Noteholders (other than [REDACTED]) and filed by Mirabela Brazil before the competent Brazilian court as necessary to implement the Plan.

“**Brazilian EJ Proceeding**” has the meaning set forth in the Recitals.

“**Business Day**” means a day, other than a Saturday or a Sunday, on which commercial banks are not required or authorized to close in Itagibá, Brazil, New York City or Perth, Australia.

“**Caterpillar Credit Facility**” means that certain Master Funding and Lease Agreement, dated as of March 23, 2009, by and between Mirabela Brazil and Caterpillar Financial Services Corporation.

“**Company**” means Mirabela Nickel Limited, ABN 23 108 161 593 of Level 21, Allendale Square, 77 St Georges Terrace, Perth WA 6000, Australia.

“**Consenting Noteholders**” has the meaning set forth in the Preamble.

“**Consenting Noteholder Amount**” means the aggregate principal amount at the time of determination of (a) Notes, (b) SNSD Notes and (c) New Capital Commitments held by a Consenting Noteholder.

“**Convertible Secured Note**” has the meaning set forth in the Plan Term Sheet.

“**Convertible Secured Note Subscription Agreement**” means the New York law-governed subscription agreement pursuant to which the Convertible Secured Notes are issued.

“**Convertible Secured Note Undersubscription Amount**” means the greater of (a) US\$0 or (b) (i) 55.0 million *minus* (ii) the principal amount of Convertible Secured Notes subscribed prior to the effectuation of the subscription of Convertible Secured Notes pursuant to Section 3.2(a).

“**Corporations Act**” means the Australian Corporations Act 2001 (*Cth*) (as modified from time to time).

“**Deed Administrator**” means the deed administrator appointed under the Deed of Company Arrangement.

“**Deed of Company Arrangement**” means collectively:

(a) the agreement to be entered into among the Noteholders and the Company setting forth the terms and conditions of the Australian Restructuring; and

(b) the agreement to be entered into among the Noteholders and Mirabela Investments setting forth the terms and conditions of the Australian Restructuring.

“**Defaulting New Capital Party**” has the meaning set forth in Section 3.2(b)(i)(A).

“**Defaulting New Capital Party Reimbursement**” has the meaning set forth in Section 3.2(b)(i)(B).

“**Effective Date**” has the meaning set forth in Section 2.1.

“**End Date**” means August 31, 2014.

“**Exhibit**” means an exhibit to this Agreement.

“**FIRB**” means the Australian Foreign Investment Review Board.

**“Governmental Agency”** means a government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (whether foreign, federal, state, territorial or local), including any self-regulatory organization established under a statute or otherwise discharging substantially public or regulatory functions, such as ASX, ASIC and FIRB.

**“Implementation Period”** means the period commencing on the date hereof and ending on the first to occur of:

- (a) the date on which this Agreement is terminated in accordance with Article V; or
- (b) the End Date.

**“Indenture”** has the meaning set forth in the Recitals.

**“Lenders”** means the each of the financiers under the Syndicated Note Subscription Deed.

**“Listing Rules”** means the official listing rules of ASX.

**“Mirabela Brazil”** means Mirabela Mineração do Brasil Ltda. a limited liability company organized under the laws of Brazil of Fazenda Santa Rita, sem número, sala 01, escritório central, Zona Rural, CEP 45585-000, Itagibá, Bahia, Brazil, or any successor entity thereto.

**“Mirabela Group”** means each of the Company, Mirabela Investments and Mirabela Brazil.

**“Mirabela Investments”** means Mirabela Investments Pty Limited, ABN 70 124 449 716 of Level 21, Allendale Square, 77 St Georges Terrace, Perth WA 6000, Australia.

**“Net New Capital Commitment”** means (a) a New Capital Party’s New Capital Commitment *minus* (b) the principal amount of Convertible Secured Notes for which such New Capital Party subscribes prior to the effectuation of the subscription of Convertible Secured Notes pursuant to Section 3.2(a).

**“New Capital Commitment”** means the commitment of a New Capital Party set forth on Schedule 3.

**“New Capital Parties”** means each of the Consenting Noteholders set forth on Schedule 3.

**“New Capital Pro Rata Share”** has the meaning set forth in Section 3.2(a).

**“Non-Lender Consenting Noteholders”** means the Consenting Noteholders that are not Lenders.

**“Non-New Capital Party Consenting Noteholders”** means the Consenting Noteholders that are not New Capital Parties.

**“Noteholder”** means a holder of Notes and [REDACTED].

**“Notes”** has the meaning set forth in the Recitals.

**“Notice”** has the meaning set forth in Section 7.1.

**“Plan”** has the meaning set forth in the Recitals.

**“Plan Term Sheet”** means the term sheet in the form attached as Exhibit A, as amended or supplemented with the consent of the Consenting Noteholders in accordance with this Agreement.

**“Preamble”** means the preamble to this Agreement.

**“Recitals”** means the recitals to this Agreement.

**“Representative”** means, in relation to any person, an employee, agent, officer, director or advisor of or to that person and, in the case of advisors, includes employees, officers and agents of the advisor.

**“Schedule”** means a schedule to this Agreement.

**“Second Creditors’ Meeting”** means the second meeting of creditors convened by the Administrator.

**“Security”** means the security granted in favor of the Security Trustee and the Brazilian Collateral Agent (for the benefit of the Lenders) in connection with the Syndicated Note Subscription Deed.

**“Security Trustee”** means the security trustee as appointed under the Syndicated Note Subscription Deed.

**“SNSD Notes”** means notes issued pursuant to the Syndicated Note Subscription Deed.

**“Specified Court”** has the meaning set forth in Section 8.15.

**“Supermajority Consenting Noteholders”** means, at any time of determination, not less than two Consenting Noteholders in number whose Consenting Noteholder Amounts aggregate more than 66.67% of the Total Consenting Noteholder Commitments.

**“Syndicated Note Subscription Deed”** means that certain Syndicated Note Subscription Deed, dated as of December 24, 2013, by and among the Mirabela Group and the financiers thereunder, as amended from time to time.

**“Termination Event”** has the meaning set forth in Section 5.1.



“**Total Consenting Noteholder Commitments**” means, without duplication, the sum of all Consenting Noteholder Amounts.

“**Transfer**” has the meaning set forth in Section 4.1(a).

“**Transfer Agreement**” means the form of transfer agreement set forth in Schedule 2.

Section 1.2 Interpretation.

(a) Headings are for convenience only and do not affect the interpretation of this agreement.

(b) The singular includes the plural and vice versa.

(c) Words that are gender-neutral or gender-specific include each gender.

(d) Where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.

(e) The words “including,” “for example,” “such as” and similar expressions are not used as, nor are they intended to be interpreted as, words of limitation.

(f) A reference to:

(i) a Consenting Noteholder includes its successors and permitted assigns;

(ii) a document includes all amendments or supplements to that document;

(iii) a clause, term, party, schedule or exhibit is a reference to a clause or term of, or a party, schedule or exhibit to, this Agreement (as applicable);

(iv) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity or a Listing Rule and is a reference to that law as amended, consolidated or replaced;

(v) an agreement other than this Agreement includes an undertaking or legally enforceable arrangement or understanding (whether or not in writing);

(vi) a time period includes the date referred to as that on which the period begins and the date referred to as that on which the period ends; and

(vii) a monetary amount is in U.S. dollars.

(g) An agreement on the part of two or more persons binds them severally and not jointly.

(h) When the day on which something must be done is not a Business Day, that thing must be done on the following Business Day.

(i) In determining the time of day, where relevant to this agreement, the relevant time of day is:

(i) for the purposes of giving or receiving Notice, the time of day where a Consenting Noteholder receiving a Notice is located; or

(ii) for any other purpose under this agreement, the time of day in the place where the Consenting Noteholder required to perform an obligation is located.

(j) No rule of construction applies to the disadvantage of a Consenting Noteholder because that Consenting Noteholder was responsible for the preparation of this Agreement or any part of it.

## ARTICLE II

### CONDITION TO EFFECTIVENESS

Section 2.1 Condition to effectiveness. This Agreement shall become effective and binding upon execution of this Agreement (the “**Effective Date**”) by Consenting Noteholders constituting, as beneficial owners or as the nominee, investment manager or advisor for beneficial holders thereof, collectively, at least 60% in principal amount of the Notes.

## ARTICLE III

### COMMITMENTS OF THE PARTIES

Section 3.1 Commitments of Lenders.

(a) Appointment of Administrator.

If the Company and Mirabela Investments do not appoint the Administrator by February 25, 2014 then each Lender shall take, or cause to be taken, all actions and do, or cause to be done, all things necessary, proper or advisable under all applicable law to appoint the Administrator, including, without limitation, executing an instruction letter to the Administrative Agent and Security Trustee requesting such appointment.

(b) Undertakings.

Subject to the terms and conditions of this Agreement and so long as this Agreement remains in full force and effect, each Lender (severally and not jointly) undertakes to the other Consenting Noteholders:

(i) not to exercise any rights or remedies available to it (including acceleration or enforcing over the assets) under the Security inconsistent with this Agreement and the Plan;

(ii) not to take any steps or initiate any action available to it to frustrate the Deed of Company Arrangement (including, without limitation, to instructing the Security Trustee or Administrative Agent to take action);

(iii) unless it has received the consent of not less than two Non-Lender Consenting Noteholders whose Notes aggregate more than 50% in amount of the Notes held by all Non-Lender Consenting Noteholders, not to:

(A) appoint a receiver to the Company or Mirabela Investments;

or

(B) take any enforcement action in respect of the Mirabela Group;

and

(iv) to convert their SNSD Notes into Convertible Secured Notes and Additional Convertible Secured Notes, if any; provided that the Convertible Secured Note Subscription Agreement and the Additional Convertible Secured Note Subscription Agreement shall be in form and substance reasonably satisfactory to such Lender, including any reasonable conditions precedent to conversion.

Section 3.2 Commitments of the New Capital Parties.

(a) Each of the New Capital Parties agrees to subscribe for its pro rata share (such share, calculated based on the Net New Capital Commitment of each New Capital Party, the “**New Capital Pro Rata Share**”) of the Convertible Secured Note Undersubscription Amount; provided that the Convertible Secured Note Subscription Agreement shall be in form and substance reasonably satisfactory to such New Capital Party, including any reasonable conditions precedent to subscription.

(b) Defaulting New Capital Parties.

(i) New Capital Party Default.

(A) If, at the time the Plan is implemented, any one or more of the New Capital Parties (each, a “**Defaulting New Capital Party**”) fails or refuses to subscribe for the Convertible Secured Notes for which it or they have agreed to subscribe hereunder on such date, the other New

Capital Parties may (but shall not be obligated to), severally, based on their respective New Capital Pro Rata Shares, or in such other proportions as the New Capital Parties may agree, subscribe for the Convertible Secured Notes that such Defaulting New Capital Party agreed but failed or refused to subscribe for on such date.

(B) If, after any default by a Defaulting New Capital Party, any New Capital Party (an “**Advancing New Capital Party**”) elects to subscribe for any Convertible Secured Notes in addition to its New Capital Commitment, each Defaulting New Capital Party agrees that any distribution in respect of its Convertible Secured Notes or Additional Convertible Secured Notes (or any proceeds from any sale of such Convertible Secured Notes or Additional Convertible Secured Notes) shall be distributed to the Advancing New Capital Parties that elected to subscribe for the Convertible Secured Notes for which such Defaulting New Capital Party failed to subscribe (the “**Defaulting New Capital Party Reimbursement**”), pro rata based on the amounts for which such Advancing New Capital Parties elected to subscribe. Each Defaulting New Capital Party agrees to pay interest at a rate of 20% to the New Capital Party that elected to subscribe for the Convertible Secured Notes for which such Defaulting New Capital Party failed to subscribe, to be calculated from the date on which the Convertible Secured Notes are issued through the date of the Defaulting New Capital Party Reimbursement, until the Defaulting New Capital Party has paid to such Advancing New Capital Party an amount equal to (1) all principal and accrued interest on such Convertible Secured Notes or Additional Convertible Secured Notes and (2) the additional interest owed by the Defaulting New Capital Party under this Section 3.2(b)(i)(B), whereupon such Convertible Secured Notes or Additional Convertible Secured Notes shall be transferred to the Defaulting New Capital Party in satisfaction of the amounts paid to such Advancing New Capital Party (and the Defaulting New Capital Party shall not be entitled to any payment in respect of interest or principal on such Convertible Secured Notes or Additional Convertible Secured Notes prior to payments to the Advancing New Capital Parties).

(C) If, after any default by a Defaulting New Capital Party, and, after giving effect to any additional subscriptions of Convertible Secured Notes by Advancing New Capital Parties pursuant to clause (A), the aggregate principal amount of unsubscribed Convertible Secured Notes remaining is more than 5.0% of the aggregate principal amount of Convertible Secured Notes to be subscribed for on such date, and arrangements satisfactory to the New Capital Parties (other than the Defaulting New Capital Parties) for the purchase of such Convertible Secured Notes are not made within 48 hours after such default, this Agreement shall terminate without liability on the part of any Consenting Noteholder that is not a Defaulting New Capital Party. If such

arrangements are made, the New Capital Parties shall have the right to postpone the date of implementation of the Plan, but in no event for longer than three (3) Business Days, in order that the required changes, if any, in any documents or arrangements may be effected. Any action taken under this clause (C) shall not relieve any Defaulting New Capital Party from liability in respect of any default of such New Capital Party under this Agreement.

(ii) Adjustments.

Notwithstanding any provision of this Agreement to the contrary, if any New Capital Party becomes a Defaulting New Capital Party, then, until such time as that New Capital Party is no longer a Defaulting New Capital Party, to the extent permitted by applicable law, that Defaulting New Capital Party's right to approve any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 8.2 and Section 8.3.

(iii) Defaulting New Capital Party Cure.

If the Supermajority Consenting Noteholders agree in writing that a Defaulting New Capital Party should no longer be deemed a Defaulting New Capital Party, then, as of the effective date specified in such agreement and subject to any conditions set forth therein, that New Capital Party will cease to be a Defaulting New Capital Party; provided that, except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting New Capital Party to New Capital Party will constitute a waiver or release of any claim of any party hereunder arising from that New Capital Party having been a Defaulting New Capital Party.

(iv) Notwithstanding anything to the contrary herein, this Agreement shall not limit any Consenting Noteholder's rights against a Defaulting New Capital Party.

Section 3.3 Commitments of the Consenting Noteholders.

(a) Deed of Company Arrangement.

Subject to the terms and conditions of this Agreement and so long as this Agreement remains in full force and effect, each Consenting Noteholder (severally and not jointly), on its behalf and on behalf of certain funds or managed accounts managed or advised by such Consenting Noteholder, agrees that it shall:

(i) seek to direct the Administrator to exercise the Company's or Mirabela Investments' right as shareholders of Mirabela Brazil and to cause Mirabela Brazil to file the Brazilian EJ Plan with the competent Brazilian court;

(ii) use its best efforts to attend (or direct a proxy) and vote in favor of the resolution at the Second Creditors' Meeting for the Company to enter into the

Deed of Company Arrangement; provided that the Deed of Company Arrangement shall (A) be consistent with the Plan Term Sheet and (B) not be otherwise adverse to such Consenting Noteholder's interests in any material respect;

(iii) take, or cause to be taken, all actions and do, or cause to be done, all things necessary, proper or advisable under all applicable law to implement and give effect to the Deed of Company Arrangement;

(iv) consider in good faith and not unreasonably withhold consent to any reasonable request from the Deed Administrator or otherwise necessary or advisable to preserve the expected rights and benefits contemplated under the Plan; and

(v) not object to the Deed of Company Arrangement or take any action or initiate any legal proceedings that are inconsistent with, or that would prevent, frustrate or impede, the approval, confirmation or implementation of the transactions outlined in the Deed of Company Arrangement; provided that, for the avoidance of doubt, nothing herein shall prevent any Consenting Noteholder from engaging in any discussions, entering into any agreements, or taking any other action with respect to the manner or form of implementation of any actions contemplated by the Deed of Company Arrangement or matters to be effectuated after the date on which the Deed of Company Arrangement is executed or the end of the Implementation Period.

(b) Brazilian EJ Plan.

Subject to the terms and conditions of this Agreement and so long as this Agreement remains in full force and effect, each Consenting Noteholder (other than [REDACTED] [REDACTED]) (severally and not jointly), on its behalf and on behalf of certain funds or managed accounts managed or advised by such Consenting Noteholder, agrees that it shall:

(i) execute the Brazilian EJ Plan; provided that the Brazilian EJ Plan shall (A) be consistent with the Plan Term Sheet and (B) not be otherwise adverse to such Consenting Noteholder's interests in any material respect;

(ii) take, or cause to be taken, all actions and do, or cause to be done, all things necessary, proper or advisable under all applicable law to implement and give effect to the Brazilian EJ Plan;

(iii) consider in good faith and not unreasonably withhold consent to any reasonable request from Mirabela Brazil or another Consenting Noteholder to amend or supplement the Brazilian EJ Plan as necessary or advisable to preserve the expected rights and benefits to the parties from the transactions contemplated under the Plan; and

(iv) not (A) object to the Brazilian EJ Plan or the acceptance, approval and implementation of the Brazilian EJ Plan; (B) initiate any legal proceedings that are inconsistent with, or that would prevent, frustrate or impede, the approval, confirmation or implementation of the Brazilian EJ Plan or the transactions outlined therein; (C) vote for, propose or participate in the formulation of any other restructuring or liquidation of the Mirabela Group or its assets (with the sole exception of the Brazilian EJ Plan and documents related thereto) under applicable bankruptcy or insolvency laws; (D) enter into any letter of intent, memorandum of understanding, agreement in principle or other agreement to undertake any action prohibited by the foregoing clause (C); or (E) solicit or direct any person, including, without limitation, the indenture trustee under the Indenture, to undertake any action prohibited by clauses (A) through (D) of this subsection (iv); provided that, for the avoidance of doubt, nothing herein shall prevent any Consenting Noteholder from engaging in any discussions, entering into any agreements, or taking any other action with respect to the manner or form of implementation of any actions contemplated by the Brazilian EJ Plan or matters to be effectuated after the date of the ratification of the Brazilian EJ Plan or the end of the Implementation Period.

(c) Other Matters.

(i) Each of the Consenting Noteholders agrees to act in good faith to support and complete the Plan.

(ii) The Non-Lender Consenting Noteholders consent to the conversion of the SNSD Notes referred to in Section 3.1(b)(iv).

(iii) The Non-New Capital Party Consenting Noteholders consent to the provision of the New Capital Commitments referred to in Section 3.2.

(iv) Notwithstanding the foregoing, nothing in this Agreement (including, without limitation, this Article III) shall be construed to limit any Consenting Noteholder's rights (A) with respect to any breach by any other Consenting Noteholder of their respective obligations under any other applicable contract, or to pursue claims under any applicable contract or law against any such breaching Consenting Noteholder, except as specifically set forth herein; or (B) under applicable law to appear and participate as a party in interest in any matter to be adjudicated in any case under the laws of Brazil or Australia or any other applicable jurisdiction concerning the Mirabela Group in any matter to be adjudicated in the Brazilian EJ Proceeding or the Australian Restructuring or any other proceeding, including, without limitation, to object to claims asserted or other actions commenced by any other party against the Mirabela Group, so long as such appearance and the positions advocated in connection therewith under this clause (B) are reasonably (1) consistent with this Agreement and otherwise in furtherance of the Brazilian EJ Plan or the Australian Restructuring and are not for the purpose of, and could not reasonably be expected to have the effect of, hindering, delaying or preventing the consummation of the Brazilian EJ Plan or

the Australian Restructuring, or (2) for the purposes of contesting whether any matter, fact, or thing, is a breach of, or inconsistent with, or to otherwise enforce, this Agreement.

(v) Notwithstanding the foregoing, nothing in this Agreement shall require a Consenting Noteholder to (A) take (or omit to take) any action or agree to any step or agreement which in its view (acting reasonably) is prohibited or otherwise restricted by (or, in the case of an omission, required by) applicable law, regulation or by any order or direction of any court or any governmental body or (B) expend any funds other than those specifically contemplated in this Agreement.

## ARTICLE IV

### TRANSFERS

#### Section 4.1 Novation to New Consenting Noteholder.

(a) Notwithstanding anything to the contrary in this Agreement, each of the Consenting Noteholders agrees that until the end of the Implementation Period, it shall not sell, assign, transfer, convey, pledge, hypothecate or otherwise dispose of, directly or indirectly (each such transfer, a “**Transfer**”), all or any of its respective Notes, SNSD Notes or New Capital Commitments (or any right related thereto and including any voting rights associated with such Notes, SNSD Notes or New Capital Commitments) unless the transferee thereof (i) is already a Consenting Noteholder under this Agreement, or (ii) (A) agrees in writing to be bound by this Agreement and (B) within three (3) Business Days after such Transfer delivers to the other Consenting Noteholders an executed Transfer Agreement (each such transferee becoming, upon the Transfer, a Consenting Noteholder hereunder). Any Transfer of any Notes, SNSD Notes or New Capital Commitments by a Consenting Noteholder that does not comply with the procedure set forth in this Article IV shall be deemed void *ab initio*. Upon a Transfer of the entirety of Notes, SNSD Notes or New Capital Commitments beneficially owned by a Consenting Noteholder in compliance with the procedure set forth in this Article IV, such transferring Consenting Noteholder shall no longer have any obligations under this Agreement. This Agreement shall not be construed to preclude any Consenting Noteholder from acquiring additional Notes, SNSD Notes or New Capital Commitments or any rights related thereto; provided that any such additional Notes, SNSD Notes or New Capital Commitments shall automatically be deemed to be subject to the terms of this Agreement; and provided, further, that the Consenting Noteholder agrees to furnish to the other Consenting Noteholders written notice within three (3) Business Days after the acquisition of any additional Notes, SNSD Notes or New Capital Commitments that caused a change of more than 10% in principal amount at maturity of the Notes, SNSD Notes or New Capital Commitments for which such Consenting Noteholder is the beneficial owner or investment manager.

(b) Upon execution of the Transfer Agreement, the new Consenting Noteholder will be treated as if it were an original Consenting Noteholder party to this



Agreement with all of the same obligations and rights as the original Consenting Noteholders.

(c) Any Transfer of any Notes or participation under the Syndicated Note Subscription Deed that does not comply with the procedure set forth in this Section 4.1 shall be deemed void *ab initio*.

## ARTICLE V

### TERMINATION

Section 5.1 Termination rights. This Agreement may be terminated by any Consenting Noteholder upon the occurrence of any of the following events (each, a “**Termination Event**”); provided that a Consenting Noteholder that caused a Termination Event in Section 5.1(a) shall not be entitled to seek to terminate this Agreement based on such Termination Event; and provided, further, that subject to Section 5.1(d) below, a termination by or with respect to any Consenting Noteholder shall constitute a termination solely with respect to such Consenting Noteholder and in such case the agreement will otherwise remain in effect with respect to all remaining Consenting Noteholders:

(a) the occurrence of a material breach of any representation, covenant or other provision of this Agreement by any of the parties (to the extent not otherwise cured within ten (10) Business Days after receipt of written notice from any other Consenting Noteholder or waived in accordance with the terms hereof);

(b) any court of competent jurisdiction or other competent governmental or regulatory authority shall have issued an order or decision (i) making illegal or otherwise rejecting, restricting, preventing or prohibiting the Brazilian EJ Plan, the Brazilian EJ Proceeding or the Australian Restructuring or (ii) declaring any provision of this Agreement or other related document to be illegal, invalid or unenforceable and such order or decision is not stayed, reversed or rescinded within ten (10) Business Days of such order or decision;

(c) the Brazilian EJ Proceeding is dismissed or converted into a bankruptcy liquidation (*falência*) by the competent Brazilian court and such dismissal or conversion is not stayed, reversed or rescinded within ten (10) Business Days of such dismissal or conversion;

(d) the Consenting Noteholders cease to hold more than 60% of the principal amount of the Notes (to the extent not otherwise cured within ten (10) Business Days);

(e) the Deed of Company Arrangement is not executed by March 31, 2014;

(f) the Deed of Company Arrangement is not terminated by May 15, 2014;

(g) as determined by the Supermajority Consenting Noteholders, there is any development giving rise to a current or prospective material adverse change in the condition (financial or otherwise), prospects, earnings, business or properties of the

Mirabela Group, taken as a whole, whether or not arising from transactions in the ordinary course of business;

(h) the Mirabela Group fails to enter into an agreement in principle to restructure the Bradesco Credit Facility, in form and substance reasonably satisfactory to the Supermajority Consenting Noteholders, before March 31, 2014;

(i) the Mirabela Group fails to execute a definitive agreement providing for the restructuring of the Bradesco Credit Facility, in form and substance reasonably satisfactory to the Supermajority Consenting Noteholders before May 31, 2014;

(j) the Mirabela Group fails to execute a definitive agreement providing for the restructuring of the Caterpillar Credit Facility, in form and substance reasonably satisfactory to the Supermajority Consenting Noteholders, before July 23, 2014; or

(k) the Brazilian EJ Proceeding is not initiated and/or the Brazilian EJ Plan is not filed before the competent Brazilian court by March 14, 2014.

Section 5.2 Notification of Material Breach. Without limitation to any other part of this Agreement, each Consenting Noteholder must immediately (and, in any event, within 24 hours) notify the other parties in writing if it becomes aware that it has committed a material breach of this Agreement.

Section 5.3 Automatic Termination. This Agreement will automatically terminate (without any action being required to be taken by any Consenting Noteholder) when:

- (a) the termination event described in Section 3.2(b)(i)(C) occurs; or
- (b) the Implementation Period ends.

Section 5.4 Termination by Agreement. The parties may at any time agree in writing to terminate this Agreement on such terms as they may agree.

Section 5.5 Effect of Termination. If this Agreement is terminated in accordance with this Article V, it will cease to be of force or effect, except that:

- (a) each Consenting Noteholder will continue to be liable for any breach of this Agreement committed by them prior to the date on which this Agreement is terminated (including, if applicable, the breach that resulted in this Agreement being terminated); and
- (b) this Article V and Article VII will survive termination.

## ARTICLE VI

### REPRESENTATIONS AND WARRANTIES.

Section 6.1 Each Consenting Noteholder represents and warrants that each of the warranties set out in Section 6.2 is true and correct:

- (a) as of the date hereof; and
- (b) at all times on each subsequent day of the Implementation Period.

Section 6.2 Each Consenting Noteholder represents and warrants that:

(a) it has all requisite corporate, partnership, limited liability company or similar authority to enter into this Agreement and carry out the transactions contemplated hereby and perform its obligations hereunder, and the execution, delivery and performance of such Consenting Noteholder's obligations hereunder have been duly authorized by all necessary corporate, partnership, limited liability, or similar action on its part;

(b) the execution, delivery and performance of this Agreement by such Consenting Noteholder does not and shall not (i) violate any provision of law, rule or regulation applicable to it or any of its subsidiaries or its organizational documents or those of any of its subsidiaries or (ii) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any material contractual obligations to which it or any of its subsidiaries is a Consenting Noteholder or under its organizational documents;

(c) the execution, delivery and performance by it of this Agreement does not and shall not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any federal, state or other governmental authority or regulatory body; and

(d) this Agreement is the legally valid and binding obligation of such Consenting Noteholder, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws, both foreign and domestic, relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

## ARTICLE VII

### NOTICES

Section 7.1 Requirements. Any notice or other communication, including any request, demand, consent or approval (a “**Notice**”) to or by a Consenting Noteholder:

(a) must be in legible writing and in English addressed to the Consenting Noteholder in accordance with its details set out in Schedule 1 or as specified to the sender by the Consenting Noteholder by Notice; and

(b) must be signed by an Authorized Officer of the sender.

Section 7.2 When Received. A Notice is regarded as being given by the sender and received by the addressee:

(a) if by delivery in person, when delivered to the addressee;

(b) if by post, on delivery to the addressee; or

(c) if by facsimile or email, when received by the addressee in legible form,

but if the delivery or receipt is on a day which is not a Business Day or is after 4.00 pm (addressee’s time) it is regarded as received at 9.00 am on the following Business Day.

Section 7.3 Reliance. A Notice can be relied on by the addressee and the addressee is not liable to any other person for any consequences of that reliance if the addressee believes it to be genuine, correct and authorized by the sender.

Section 7.4 Legibility. A facsimile transmission is regarded as legible unless the addressee telephones the sender within two hours after the transmission is received or regarded as received under Section 7.2 and informs the sender that it is not legible.

## ARTICLE VIII

### GENERAL

Section 8.1 Cumulative Rights. The rights, powers and remedies of a Consenting Noteholder under this Agreement are cumulative with the rights, powers and remedies provided by law independently of this Agreement.

Section 8.2 Waivers.

(a) Waiver of any right arising from a breach of this Agreement must be in writing and signed by the Consenting Noteholder granting the waiver.

(b) A failure or delay in exercise, or partial exercise, of a right arising from a breach of this Agreement, does not result in a waiver of that right.

(c) A Consenting Noteholder is not entitled to rely on a delay in the exercise or non-exercise of a right arising from a breach of this Agreement as constituting a waiver of that right.

(d) A Consenting Noteholder may not rely on any conduct of another Consenting Noteholder as a defense to exercise of a right by that other Consenting Noteholder.

(e) This Section 8.2 may not itself be waived except in writing by all parties.

### Section 8.3 Variation and Waiver.

(a) Subject to Section 8.3(b), any term of this Agreement may be varied only in writing with the consent of all parties, and any such variation will be binding on all parties to this Agreement.

(b) Article V may be varied only in writing with the consent of the Supermajority Consenting Noteholders, and any such variation will be binding on all parties to this Agreement.

(c) Notwithstanding anything to the contrary herein, no Defaulting New Capital Party shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that (i) the New Capital Commitment of such Defaulting New Capital Party may not be increased or extended without the consent of such New Capital Party and (ii) any waiver, amendment or modification requiring the consent of all Consenting Noteholders or each affected Consenting Noteholders that by its terms affects any Defaulting New Capital Party more adversely than other affected Consenting Noteholders shall require the consent of such Defaulting New Capital Parties (it being understood that any New Capital Commitments held or deemed held by any Defaulting New Capital Party shall be excluded for a vote of the Consenting Noteholders hereunder requiring any consent of the New Capital Parties).

(d) This Section 8.3 may not itself be waived except in writing by all parties.

Section 8.4 Assignment. Other than in accordance with Article IV, Section 8.4(b) and Section 8.4(c), a Consenting Noteholder may not assign, novate or otherwise transfer any of its rights or obligations under this Agreement.

### Section 8.5 Approvals and Consents.

(a) Unless expressly stated otherwise in this Agreement, a Consenting Noteholder may give or withhold its approval or consent conditionally or unconditionally in its absolute discretion.

(b) By giving its approval or consent, a Consenting Noteholder does not make or give any representation or warranty in respect of any circumstance relating to the subject matter of the approval or consent.

Section 8.6 Specific Performance. The parties acknowledge that monetary damages alone would not be adequate compensation for a breach by a Consenting Noteholder of an obligation under this Agreement and that specific performance of that obligation is an appropriate remedy.

Section 8.7 Entire Agreement. This Agreement constitutes the entire agreement between the parties in relation to its subject matter and supersedes any previous agreement, arrangement or understandings between the parties concerning that subject matter.

Section 8.8 Severability. If the whole or any part of a provision of this Agreement is void, unenforceable or illegal in a jurisdiction, it is severed for the purposes of that jurisdiction. In this event, the remainder of this Agreement will have full force and effect and the validity or enforceability of the relevant provision in any other jurisdiction is not affected. This Section 8.8 has no effect if the severance alters the basic nature of this Agreement or is contrary to public policy.

Section 8.9 No Merger. The rights and obligations of the parties (including the warranties given by them) under this Agreement do not merge on completion of the Plan.

Section 8.10 Further Assurances. Each Consenting Noteholder must do all things and execute all further documents necessary to give full effect to this Agreement and the transactions contemplated by it.

Section 8.11 Counterparts; Facsimile or Electronic Signatures. This Agreement may be executed simultaneously in multiple counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Agreement, any and all agreements and instruments executed and delivered in accordance herewith, along with any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or other means of electronic transmission, shall be treated in all manner and respects and for all purposes as an original signature, agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

Section 8.12 Governing Law. This Agreement shall, in all respects, be governed by and interpreted in accordance with the laws of the State of New York (without regard to its choice of law provisions).

Section 8.13 Consent to Jurisdiction. EACH CONSENTING NOTEHOLDER IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY NEW YORK STATE COURT OR ANY FEDERAL COURT SITTING IN THE BOROUGH OF MANHATTAN, THE CITY OF NEW YORK (EACH, A “**SPECIFIED COURT**”) OVER ANY LEGAL OR OTHER PROCEEDING ARISING OUT, BASED UPON OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 8.14 Service of Process. Each of the Consenting Holders hereby waives any objection to proceedings in any Specified Court on any ground relating to venue or on the ground that the proceedings have been brought in an inappropriate forum. The foregoing shall not limit the rights of any party hereto to introduce this Agreement in any court in any jurisdiction in order to defend against a cause of action that has been brought against it or any of its affiliates or representatives in such court.

Section 8.15 Waiver of Jury Trial. EACH OF THE CONSENTING NOTEHOLDERS HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

*[Signature pages follow]*

**FORM OF TRANSFER AGREEMENT**

**This Transfer Agreement**

is made on [*insert date*]

by [*Transferee*] (New Consenting Noteholder [and] [Lender/New Capital Party])

**in favor**

**of** each Consenting Noteholder party to the Plan Support Agreement

This Transfer Agreement (the “**Transfer Agreement**”) shall take effect as a Transfer Agreement for the purposes of the Plan Support Agreement.

**1. Definitions and Interpretation**

**1.1 Definitions**

The following definitions and (unless defined below) definitions in the Plan Support Agreement apply in this deed poll unless the context requires otherwise:

**Plan Support Agreement** means that certain Plan Support Agreement, dated as of February 24, 2014, by and among the Consenting Noteholders named therein.

**1.2 Interpretation**

Section 1.2 of the Plan Support Agreement applies in this deed poll as if references to “this Agreement” were to “this Transfer Agreement.”

**2. Acknowledgement**

The New Noteholder [and] [Lender/New Capital Party] confirms that it intends to be a Consenting Noteholder party to the Plan Support Agreement, undertakes to perform all the obligations expressed to be assumed by [a member of the Ad-hoc Group/a Lender/a New Capital Party (as appropriate)] under the Plan Support Agreement and agrees that it shall be bound by all the provisions of the Plan Support Agreement as if it had been an original Consenting Noteholder party to the Plan Support Agreement.

**3. Governing Law**

This Transfer Agreement is governed by the laws of the State of New York.



**SCHEDULE 3**

**NEW CAPITAL PARTIES**

<b><u>New Capital Party</u></b>	<b><u>New Capital Commitment</u></b>	
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
<b>Total</b>	<b>US\$</b>	<b><u>55,000,000</u></b>

**SUMMARY OF INDICATIVE TERMS AND CONDITIONS  
FOR THE RECAPITALIZATION OF MIRABELA NICKEL LTD.**

This term sheet dated as of February 24, 2014 describes the principal terms pursuant to which (a) Mirabela Nickel Ltd. (“**Mirabela**” or the “**Company**”), (b) the lenders under the Note Subscription Deed (as defined below) (the “**Lenders**”) and (c) the Noteholders (as defined below) who enter into the Plan Support Agreement (as defined below) or a joinder thereto (together with the Lenders, the “**Consenting Noteholders**”) would propose to complete a transaction or series of transactions (collectively, the “**Transaction**”) pursuant to which (i) the claims of the holders (the “**Noteholders**”) of Mirabela’s US\$395.0 million 8.75% Senior Unsecured Notes due April 15, 2018 (the “**Notes**”), including any guarantees thereof, would be compromised and extinguished in exchange for the consideration specified herein, (ii) the Existing Shares (as defined below) would receive the treatment specified herein, and (iii) the Company would raise US\$115.0 million of new capital (the “**New Capital**”) through the issuance of secured notes (the “**Convertible Secured Notes**”) convertible into ordinary shares of reorganized Mirabela (the “**New Mirabela Ordinary Shares**”), all pursuant to a recapitalization and restructuring plan to be implemented through (x) a deed of company arrangement to be entered into by the Company that will bind all Noteholders (the “**DOCA**”) and (y) an extrajudicial reorganization proceeding to be filed by Mirabela Mineração do Brasil Ltda. (“**Mirabela Brazil**”) before the competent Brazilian court.<sup>1</sup>

**I. Existing Claims and Interests and Proposed Treatment**

<b>Priority Claims</b>	Any priority claims (taxes, unpaid wages, etc.) to be satisfied in accordance with Australian and Brazilian law and on terms reasonably satisfactory to the Company and the Consenting Noteholders.
<b>Bradesco Facility</b>	Debt obligations under the Banco Bradesco S.A. credit facility will remain in place and be extended on terms acceptable to the Consenting Noteholders.
<b>Caterpillar</b>	Debt obligations under the credit facility with Caterpillar Financial Services Corporation or its assignees will remain in

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<sup>1</sup> *This Summary of Indicative Terms and Conditions for the Recapitalization of Mirabela Nickel Ltd. does not purport to summarize all the terms, conditions, representations, warranties and other provisions with respect to the transactions referred to herein, which transactions, if agreed, would be entered into on the basis of mutually satisfactory documentation.*

*All ownership percentages in reorganized Mirabela herein are presented on a fully-diluted basis (but prior to any dilution from a management incentive plan and the exercise of the conversion rights of the Additional Convertible Secured Notes (as defined herein), if any, unless otherwise indicated).*

place and be extended on terms acceptable to the Consenting Noteholders.

**Atlas CopCo Facility**

Debt obligations under the credit facility with Atlas CopCo Customer Finance AB or its assignees will remain in place and be extended on terms acceptable to the Consenting Noteholders.

**Note Subscription Deed**

On the Effective Date (as defined below), debt obligations under the Syndicated Note Subscription Deed dated as of December 24, 2013 (the “**NSD**”) of US\$60.0 million shall be repaid in cash to the extent the cash proceeds from the New Capital issuance exceed US\$55 million. To the extent the US\$60 million of debt obligations under the NSD are not repaid in cash, such debt obligations shall be converted into Convertible Secured Notes and shall reduce the amount of the New Capital on a dollar-for-dollar basis.

Any debt obligations under the NSD (other than the amount of any cash disbursed to the Company pursuant to the Additional Interim Financing (as defined below)), if and to the extent incurred, shall be converted into additional convertible secured notes (the “**Additional Convertible Secured Notes**”), which shall have terms identical to the Convertible Secured Notes, and distributed to the Lenders on a pro rata basis.

**Notes**

“**Notes Claims**” shall consist of all outstanding obligations of (i) the Company and (ii) Mirabela Investments Pty Ltd. (“**Mirabela Investments**”) and Mirabela Brazil, as guarantors of the Notes, owed to the Noteholders, including, without limitation, outstanding principal and all accrued and unpaid interest thereon at the applicable contract rate.

All unpaid interest accrued on the Notes until the date on which the Transaction is implemented (the “**Effective Date**”) shall comprise part of the Notes Claims and shall not be paid in cash.

Each holder of a Notes Claim shall receive, on the Effective Date, its pro rata share (based on its Notes Claim on or about the date on which the DOCA is approved by the Company’s creditors at the relevant meeting (the “**Record Date**”) divided by the total Notes Claims as at the Record Date) of (i) the Subordinated Unsecured Note Consideration (as defined below), (ii) the Equity Consideration (as defined below) and (iii) the right to participate ratably in the New Capital and acquire Convertible Secured Notes, in full and final satisfaction of the Notes Claims and in exchange therefore.

**“Subordinated Unsecured Note Consideration”** means a US\$5.0 million subordinated unsecured note with a 30-year maturity and a payable-in-kind interest rate of 1.0% per annum, compounded annually, callable at par at any time (the **“Subordinated Unsecured Note”**). Indicative terms and conditions of the Subordinated Unsecured Note in addition to those set forth above are set forth in Annex A.

**“Equity Consideration”** means 94.3% of the New Mirabela Ordinary Shares prior to any dilution caused by the exercise of the conversion rights of the holders of Convertible Secured Notes (the **“Convertible Secured Noteholders”**).

No fractional New Mirabela Ordinary Shares shall be issued. Any fractional New Mirabela Ordinary Shares that would otherwise have been issued shall be rounded down to the nearest whole number.

**Non-Priority Unsecured Claims**

All non-priority, pre-Effective Date unsecured claims other than the Notes Claims will be unaffected and remain in place under their existing terms or will be treated in a manner acceptable to the Consenting Noteholders. The Consenting Noteholders must be satisfied, in their sole discretion, with respect to any non-compromised debt of Mirabela and its subsidiaries.

**Existing Shareholders**

**“Existing Shares”** is defined as the 876,801,147 ordinary shares of Mirabela currently outstanding and all unlisted options and performance rights.

The Existing Shares shall not receive any consideration in the Transaction (other than retaining approximately 0.01% of New Mirabela Ordinary Shares).

**II. Implementation Structure**

As set forth in the accompanying plan support agreement (the **“Plan Support Agreement”**).

**III. Issuance of Convertible Secured Notes**

**Principal Amount**

To provide adequate funding for the Company upon completion of the Transaction and to pay the fees and expenses of implementing the Transaction, the Company will, as part of the Transaction (subject to applicable legal restrictions), issue the Convertible Secured Notes in a principal amount equal to US\$115.0 million (the **“Initial Principal Amount”**). Indicative terms and conditions of the Convertible Secured Notes in addition

to those set forth below are set forth in Annex B.

**Additional Principal Amount**

Following the Effective Date, the Company may elect to issue up to an additional US\$20.0 million in principal amount (the “**Additional Principal Amount**”) of Convertible Secured Notes, subject to the consent of Convertible Secured Noteholders holding more than 50% in value of the Convertible Secured Notes outstanding at the time of such election.

**Conversion to Equity**

The Initial Principal Amount of the Convertible Secured Notes (exclusive of any accrued interest) may be converted into New Mirabela Ordinary Shares representing 42.3% of New Mirabela Ordinary Shares. Following the Effective Date, each Convertible Secured Noteholder shall have the right, at its election, to convert its Convertible Secured Notes into New Mirabela Ordinary Shares.

For the avoidance of doubt, any Convertible Secured Notes issued in addition to the Initial Principal Amount (whether pursuant to accrued interest thereon, the issuance of an Additional Principal Amount of Convertible Secured Notes, or otherwise), as well as any Additional Convertible Secured Notes (as defined below) issued and accrued interest thereon, shall be convertible into New Mirabela Ordinary Shares at the same conversion price as that of the Initial Principal Amount of the Convertible Secured Notes.

**Collateral**

The Convertible Secured Notes will be secured by a first-priority lien on all of the collateral securing the NSD as well as by any additional unencumbered assets (subject to exceptions to be agreed, including, without limitation, the Priming Loan Basket (as defined below)) held by the Company, Mirabela Investments and Mirabela Brazil on the Effective Date (the “**Collateral**”).

The Collateral shall be released with respect to any outstanding Convertible Secured Notes upon the earlier to occur of (i) 75% in value of the Convertible Secured Notes having been converted into New Mirabela Ordinary Shares or (ii) 75% in value of Convertible Secured Noteholders electing such release.

**Guarantors**

Mirabela Investments and Mirabela Brazil will jointly and severally guarantee the Convertible Secured Notes.

**Priming Loan Basket**

The Convertible Secured Notes shall have a basket for the issuance of up to US\$60.0 million of debt (the “**Priming Loan Basket**”), which may be secured by a priming first-priority lien on the Collateral, subject to the approval of Convertible Secured Noteholders holding at least 66.67% in value of the Convertible

Secured Notes outstanding at the time of such issuance.

**Maturity** 5 years after the Effective Date (the “**Maturity Date**”). If the Convertible Secured Notes have not been converted into New Mirabela Ordinary Shares prior to the Maturity Date, principal and interest thereunder shall be immediately payable in cash to the Convertible Secured Noteholders.

**Interest Rate** 9.5% per annum based on a 360-day year, payable in kind on a semi-annual basis.

**Call Protection** Non-callable in the first 2 years after the Effective Date, subject to a T+50bps make-whole premium on any mandatory prepayment or acceleration during such period; callable, subject to a customary notice period, at 106.75% in year 3 (including for any mandatory prepayment or acceleration during such period) and at par thereafter. For the avoidance of doubt, no premium shall be paid upon the conversion of the Convertible Secured Notes.

**Rollover Fee and New Capital Fee** Each Lender shall be entitled to a rollover fee of 5.0% of the Rollover Commitment (as defined below), payable upon consummation of the New Capital issuance in New Mirabela Ordinary Shares.

“**Rollover Commitment**” means the product of (i) a Lender’s pro rata share of the debt obligations under the NSD outstanding as of the date on which the Plan Support Agreement is executed (expressed as a percentage) and (ii) US\$60.0 million. Each Lender’s Rollover Commitment is set forth on Annex C.

Each member of the ad-hoc committee of Noteholders listed on Annex D (each, a “**New Capital Party**” and, collectively, the “**New Capital Parties**”) shall be entitled to a new capital fee of 10.25% of its new capital commitment set forth on Annex D, payable upon consummation of the New Capital issuance in New Mirabela Ordinary Shares.

#### **IV. Conditions**

**Conditions Precedent** The conditions precedent set forth in the Plan Support Agreement must be satisfied or waived by the requisite majority of Consenting Noteholders prior to the Effective Date.

**Corporate Governance and Management** The composition and size of the Board of Directors on completion of the Transaction shall be acceptable to the Consenting Noteholders.

A management incentive plan will be agreed upon by the executive management team and the Consenting Noteholders.

**Additional Interim  
Financing**

The Lenders shall consider, in their sole discretion, providing additional interim financing to the Company if required prior to the Effective Date (the “**Additional Interim Financing**”). The fees and interest on the Additional Interim Financing shall be repaid with Additional Convertible Secured Notes.

Summary of Indicative Terms and Conditions of the Subordinated Unsecured Note<sup>1</sup>

<b>Issuer</b>	Mirabela.
<b>Listing</b>	None.
<b>Covenants</b>	None.
<b>Gross-Up for Brazilian Withholding Tax</b>	None.
<b>Events of Default</b>	<p>(i) A failure by Mirabela to pay the principal amount or interest to the holders of the Subordinated Unsecured Note when due and payable.</p> <p>(ii) A filing by Mirabela or any of its direct shareholders, following the Effective Date, for any type of Insolvency Proceeding (as defined below).</p> <p><b>“Insolvency Proceeding”</b> means any action, legal proceeding or other step in respect of Mirabela or any of its subsidiaries in connection with (i) the winding up, dissolution, bankruptcy, <i>recuperação judicial</i>, <i>recuperação extrajudicial</i>, <i>falência</i>, administration, or liquidation or reorganization (by way of voluntary arrangement, scheme of arrangement or similar arrangement), (ii) the appointment of an administrator, liquidator, receiver, <i>administrador judicial</i>, compulsory manager, scheme manager or similar officer in respect of Mirabela or any of its subsidiaries or any of its assets or (iii) any analogous procedure or step in any jurisdiction.</p>
<b>Governing Law</b>	The Subordinated Unsecured Note shall be governed by New York law.

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<sup>1</sup> This Summary of Indicative Terms and Conditions of the Subordinated Unsecured Note does not purport to summarize all the terms, conditions, representations, warranties and other provisions with respect to the transactions referred to herein, which transactions, if agreed, would be entered into on the basis of mutually satisfactory documentation.



**Summary of Indicative Terms and Conditions of the Convertible Secured Notes<sup>1</sup>**

**Representations and Warranties**

Customary and appropriate provisions, including, without limitation: good standing, due authorization, binding effect, delivery of complete and accurate information (including, without limitation, financial and operational documents), compliance with applicable laws and regulations, market disclosures.

**Affirmative Covenants**

Mirabela and its subsidiaries shall agree to affirmative covenants usual and customary for convertible secured notes of this kind, including, without limitation:

- (i) maintenance of existence;
- (ii) delivery of financial reporting information, including quarterly financial statements, in form satisfactory to the Convertible Secured Noteholders;
- (iii) delivery of inventory reporting information, including quarterly inventory reports, in form satisfactory to the Convertible Secured Noteholders;
- (iv) maintenance of insurance;
- (v) maintenance of licenses and concessions;
- (vi) compliance with laws;
- (vii) submission of any documentation required for approvals or creation and perfection of security interests in the Collateral;
- (viii) obligation to use its best efforts to perfect the Collateral documents as promptly as possible and respond and attend in reasonable time to any request or demands made by registrars to register and perfect the Collateral documents;
- (ix) obligation to grant the Convertible Secured Noteholders control (subject to applicable law) over conduct of any indemnification claims assertable by or on behalf of Mirabela Brazil or any of its direct shareholders under the offtake agreement among Mirabela Brazil, Votorantim Metais Niquel S.A. and Votorantim Metais Ltda. and to take all actions necessary or desirable to comply with the Convertible Secured Noteholders' reasonable direction with respect to such claims;

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<sup>1</sup> *This Summary of Indicative Terms and Conditions of Convertible Secured Notes does not purport to summarize all the terms, conditions, representations, warranties and other provisions with respect to the transactions referred to herein, which transactions, if agreed, would be entered into on the basis of mutually satisfactory documentation.*

- (x) notification prior to the filing of any voluntary Insolvency Proceeding (as defined below) in the case of Mirabela or any of its subsidiaries (subject to certain exceptions to comply with director and manager fiduciary duties); and
- (xi) additional notification requirements including, without limitation, with respect to contingent liabilities, change in accounting principles, notices of default, notices regarding material contracts, information regarding Collateral, notice of change in board of directors, insurance reports and environmental events.

**“Insolvency Proceeding”** means any action, legal proceeding or other step in respect of Mirabela or any of its subsidiaries in connection with (i) the winding up, dissolution, bankruptcy, *recuperação judicial*, *recuperação extrajudicial*, *falência*, administration, or liquidation or reorganization (by way of voluntary arrangement, scheme of arrangement or similar arrangement), (ii) the appointment of an administrator, liquidator, receiver, *administrador judicial*, compulsory manager, scheme manager or similar officer in respect of Mirabela or any of its subsidiaries or any of its assets or (iii) any analogous procedure or step in any jurisdiction.

## **Negative Covenants**

Mirabela and its subsidiaries shall agree to negative covenants usual and customary for convertible secured notes of this kind, including, without limitation:

- (i) restrictions on incurrence of indebtedness;
- (ii) restrictions on incurrence of liens;
- (iii) restrictions on distributions and investments (subject to certain exceptions for necessary investments made in the ordinary course of business and consistent with Mirabela and its subsidiaries’ cash position);
- (iv) restrictions on fundamental changes to the business;
- (v) restrictions on dispositions of assets, acquisitions and sales and lease-backs;
- (vi) limitations on transactions with shareholders and affiliates;
- (vii) restrictions on conduct of business; and
- (viii) no amendments or waiver of organizational documents or change of fiscal year.

## **Events of Default**

The indenture pursuant to which the Convertible Secured Notes will be issued will include events of default as are usual and customary for convertible secured notes of this kind, including, without limitation, the following (**“Events of Default”**), subject to limited cure periods to be agreed:

- (i) failure to make payments when due;
- (ii) noncompliance with covenants;
- (iii) breaches of representations and warranties;
- (iv) legal impairment of security interests in Collateral;
- (v) change of Control (as defined in section 50AA of the Australian Corporations Act);
- (vi) defaults under other agreements;
- (vii) judgments and attachments;
- (viii) assertion of material claims;
- (ix) any steps to terminate or assign any licenses or concessions; and
- (x) after the Effective Date, the initiation by Mirabela or any of its subsidiaries of an Insolvency Proceeding.

Lenders' Rollover Commitments

<u>Lender</u>	<u>Rollover Commitment</u>
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
<b>Total</b>	<u>US\$ 60,000,000</u>

New Capital Parties

<u>New Capital Party</u>	<u>New Capital Commitment</u>	
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
<b>Total</b>	<b>US\$</b>	<b>55,000,000</b>