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## Debt Update

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Perth, Australia – 14 October 2011: Mirabela Nickel Limited (“Mirabela” or the “Company”) (ASX: MBN, TSX: MNB) is pleased to advise that the US\$25 million held as cash collateral by the hedge financiers was released upon the perfection of the security on the mineral rights in their favour.

In addition, the Company negotiated a release of a further US\$25 million held in a Contingency Support Account (“CSA”) by the hedge financiers. As a result of the release of the cash collateral and the CSA, Mirabela has now removed all liquidity covenants relating to the Company’s hedge book.

Mirabela advised earlier that the Company closed all of its outstanding copper hedges (8,844 tonnes) for a cost of approximately US\$10 million and 66% of the Company’s nickel hedges (6,974 tonnes) for a cost of approximately US\$5 million. Mirabela has 3,653 tonnes in remaining nickel hedges at an average contract rate of US\$17,384 per tonne, extending from May 2012 to March 2014.

The Company made the first bi-annual interest payment of US\$17.3 million on the US\$395 million of senior unsecured notes (“Notes”) on 14 October 2011. The Notes have a coupon rate of 8.75% and are due 2018.

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