

# ANNUAL GENERAL MEETING

August 2014



MIRABELA NICKEL  
LTD



## Competent Persons

The information in this presentation that relates to Santa Rita pre-mining Ore Reserves, Mining Production and Cost Estimation for the Santa Rita Nickel Deposit is in accordance with the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code), and is based on information compiled by Mr Carlos Guzmán who is a Member of the Australasian Institute of Mining and Metallurgy and Registered Member of the Chilean Mining Commission. Mr Guzmán is a Mining Engineer, Principal and Project Director with NCL Brasil Ltda and is a consultant to the Company. Mr Guzman qualifies as a Competent Person as defined in the 2012 JORC Code and is a Qualified Person in accordance with NI 43-101. Mr Guzmán approves and consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

The information in this presentation that relates to the updated October 2012 Mineral Resources for the Santa Rita Nickel Deposit was estimated in accordance with the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). There have been no material changes to the Mineral Resources, apart from mining depletion, since the public report titled "Significant Increase in Santa Rita Open-Pit Resources" was issued by the Company on 19 October 2012. The estimate was based on information compiled by Mr. Lauritz Barnes and reviewed by Mr. Doug Corley. Mr Barnes is a Member of the Australian Institute of Geoscientists, and is a Consultant to Mirabela Nickel Ltd (subject to deed of company arrangement). Mr Corley is a Member of the Australian Institute of Geoscientists and is a Registered Professional Geoscientist in the field of Mining (Registration Number 10109), and is a Principal Resource Geologist at GHD Pty Ltd. Messrs Barnes and Corley qualify as both a Competent Person as defined in the 2012 JORC Code and as a Qualified Person in accordance with NI 43-101. Messrs Barnes and Corley have verified the data underlying the disclosures in this presentation relating to Mineral Resources.

## Forward Looking Information

Certain information in this presentation, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information includes, but is not limited to, information which reflect management's expectations regarding Mirabela's future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

In making and providing the forward-looking information included in this presentation, the Company has made numerous assumptions. These assumptions include among other things: (i) assumptions about the price of nickel and other base metals; (ii) that there are no material delays in the optimisation of operations at the Santa Rita Operation; (iii) assumptions about operating costs and expenditures; (iv) assumptions about future production and recovery; (v) that the supply and demand for nickel develops as expected; (vi) that there is no unanticipated fluctuation in interest rates and foreign exchange rates; and (vii) 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 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) failure to comply with restrictions and covenants under any debt or equity facilities; and (x) changes in the terms of the Leasing Facility in order to achieve successful syndication.

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. The Company undertakes no obligation to re-issue or update forward-looking information as a result of new information or events after the date of this presentation except as may be required by law. All forward-looking information disclosed in this presentation is qualified by this cautionary statement.

# Mirabela Highlights

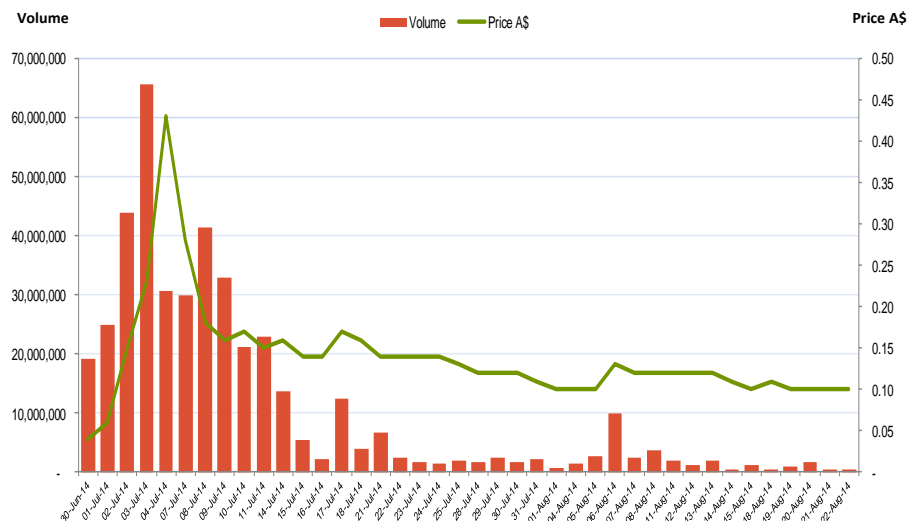
- Successful recapitalization of Company with strong cash position and lower debt underpinning the balance sheet
- New Board of Directors and CEO providing a wealth of experience
- Simple, proven open pit mine and conventional sulphide processing plant with 20 year remaining Reserve and significant Resources
- Excellent safety and environmental record
- Low cost, long life operation
- Sales agreements for 100% of concentrate production until end of 2014
- Future exciting growth opportunities through operational expansion and exploration



# Mirabela Corporate Information



## ASX Price and Volume



## Top Holders<sup>1</sup>

Investor	Shares Held	%
HSBC Custody Nominees Australia Ltd	157,262,386	16.92%
National Nominees Limited	97,732,282	10.51%
Hare & Co LLC <Principal Fnd Inc Global Diversified Income Fund>	52,404,597	5.64%
JP Morgan Nominees Australia Ltd	41,692,875	4.49%
Pioneer Global High Yield Fund	39,384,364	4.24%

Source 1: Advanced Share Registry, 22/8/14

	22 August 2014
Share Price (A\$)	0.10
Shares Outstanding (mill)	930
Market Cap (A\$ mill)	92.97
Cash (US\$ mill)*	62.42

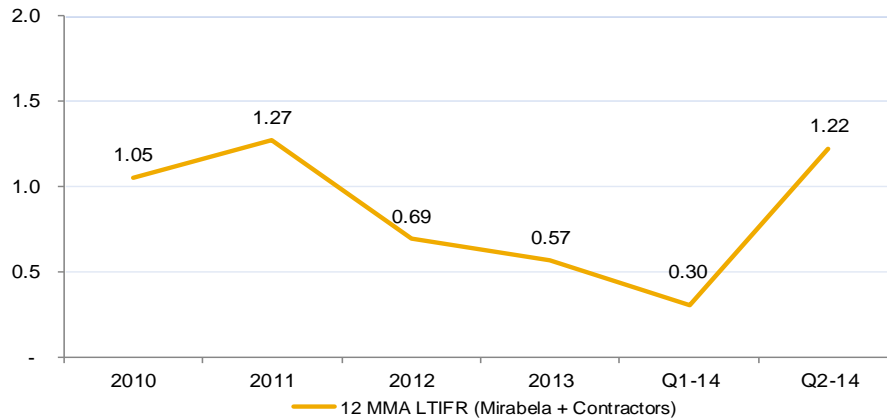
\* As at 30/06/14

## Recapitalisation Update

- Company restructure successfully completed
- New Board & CEO appointed
- Extinguishment of original Noteholder debt (US\$395m) completed
- As at 31 July 99.3% of original notes have been converted to shares
- 100% Convertible Notes issued (US\$115m)
- Company has appointed Theta Asset Management Limited to assist with the bare trustee role

# Safety, Environment & Community

## Excellent Health & Safety Record



- Mirabela has maintained an excellent safety record (LTIFR of 1.22 vs. Australian metal ore mining LTIFR of 3.40<sup>1</sup>)
- Continued focus on safety training, and the implementation of best practices aimed at achieving the safest possible work environment

## Strong Environmental, Government & Community Programs



- Strong environmental operating track record
- Strong government and community engagement
- Major employer in the region and an important part of the communities of Ipiaú & Itagibá

# Substantial Reserves and Resources – 20 Year Mine Life Based on Reserves

## JORC Mineral Reserves (as at 31 December 2010)<sup>1</sup>

Classification <sup>2,5</sup>	Tonnes (M)	Nickel grade (%) <sup>3</sup>	Copper grade (%)
Open Pit reserves			
Proven	16.7	0.57%	0.14%
Probable	142.6	0.52%	0.13%
<b>Total</b>	<b>159.3</b>	<b>0.52%</b>	<b>0.13%</b>

<sup>1</sup> Mineral reserves referred to in this document are reported in accordance with the JORC Code. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Reserves are included in resources.

<sup>2</sup> Reflects strip ratio of 5.0:1

<sup>3</sup> Contained nickel tonnes of 829,800

<sup>4</sup> Weighted average recovery of 68.7%

<sup>5</sup> As at 30 June 2014, a total of 21.1 Mt of ore had been mined from reserves at an average nickel grade of 0.47%

## Resources (as at 31 December 2013)<sup>2</sup>

Classification	Tonnes (M)	Nickel grade (%) <sup>3</sup>	Copper grade (%)
Open Pit resources <sup>1, 2</sup>			
Measured	13.6	0.51%	0.10%
Indicated	179.7	0.50%	0.13%
<b>Sub Total</b>	<b>193.3</b>	<b>0.50%</b>	<b>0.13%</b>
Inferred	79.6	0.56%	0.15%

### Underground resources<sup>3, 4</sup>

Inferred	77.0	0.78%	0.22%
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<sup>1</sup> Based on a cut-off grade of 0.13% recoverable nickel.

<sup>2</sup> Remaining as of end of December 2013.

<sup>3</sup> Based on a weighted average cut-off grade of 0.50% nickel.

<sup>4</sup> As of February 2009, re-reported using revised base of pit in December 2013.

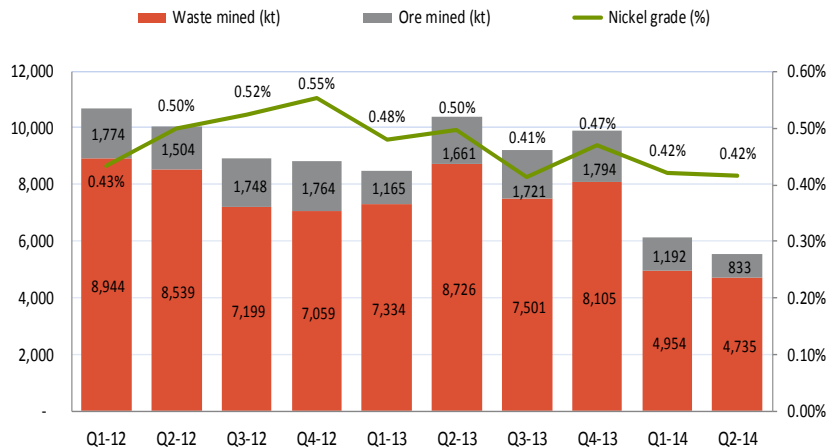
# Operational Overview

## (Transition to 25Mtpa material movement in 2014)

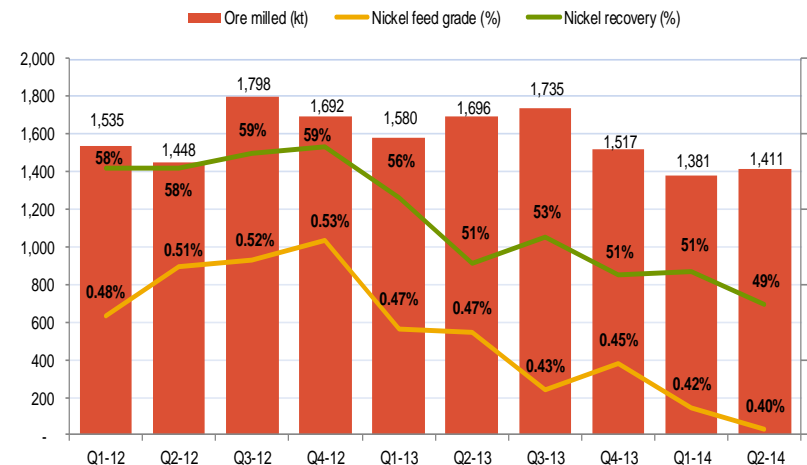


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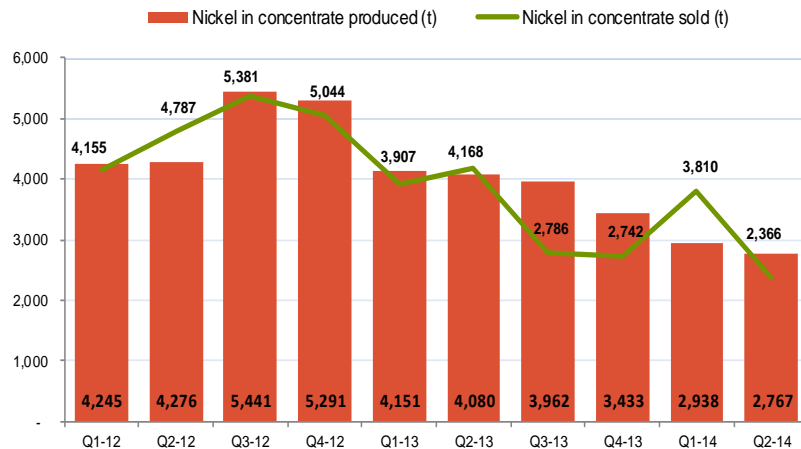
### Total material mined and ore grade



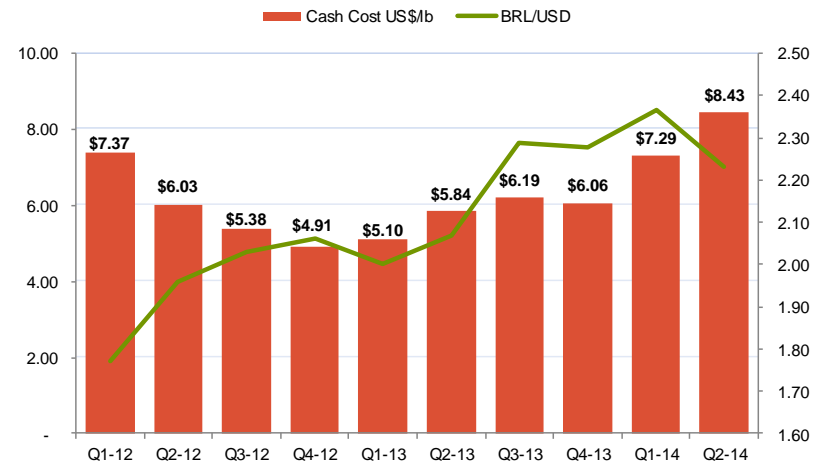
### Ore milled, grade processed and nickel recovery



### Nickel in concentrate produced and sold



### C1 cash costs (US\$/lb Nickel)

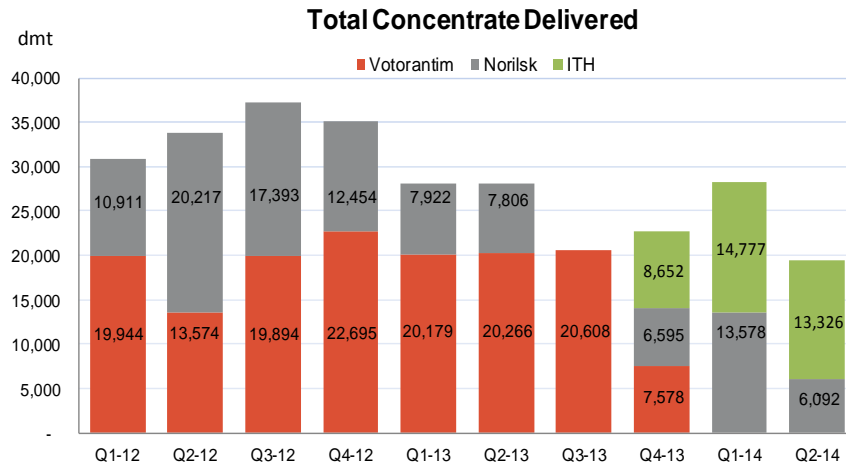




# Overview of June 2014 Quarter

- Challenging second quarter driven by lower performance of equipment used to prepare the South zone, resulting in South zone ore being replaced with ore from the Central zone, impacting both quantity and quality of ore
- Production of 2,767 tonnes and sales of 2,366 tonnes of nickel in concentrate
- Average nickel recovery of 49% and average plant nickel feed grade of 0.40%
  - Nickel recovery affected by low water availability due to less reclaimed water from the tailings dam
  - Lower nickel feed grade due to lower quality ore being sourced from the Central zone and processing of stockpiled material
- Phase 1 of Tailings Dam lift with U&M (third party contractor) expected to be completed during Q3 2014
- C1 unit cash cost of US\$8.43/lb reflects lower payable nickel production. In absolute terms, production costs were lower than the previous quarter due in part to lower material movement and ore mined
- Company closed the quarter with strong cash balance of US\$62.42m driven by proceeds from issue of Senior Convertible Notes (US\$55m) and the final US\$10m of the interim loan provided by the consortium of original Senior Unsecured Noteholders





## Ilhéus Port

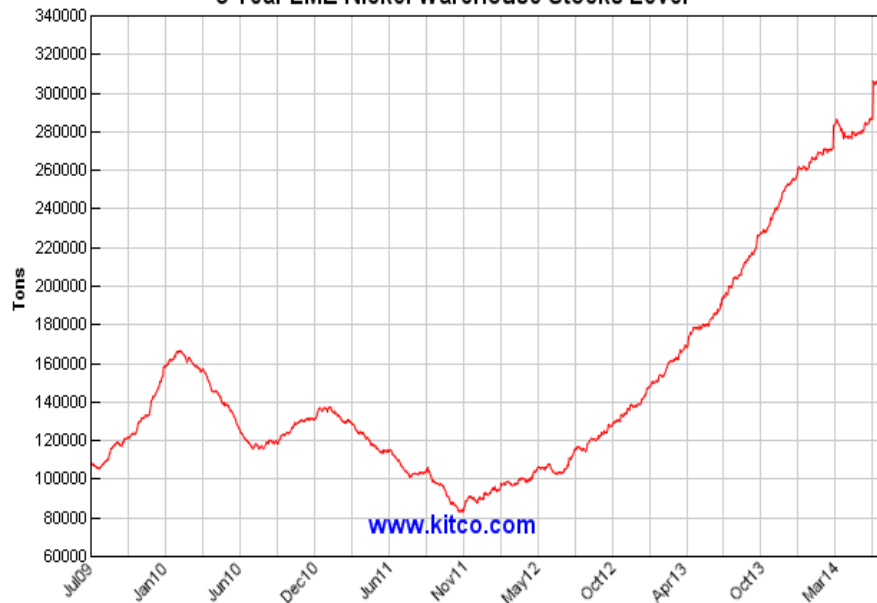


- Mirabela has Sales Agreements for 100% of its concentrate:
  - International Trading House
    - Delivery at Salvador or Ilheus Port
    - Spot agreement to complete end of 2014
  - Norilsk Nickel
    - Shipped through Ilhéus Port, delivery CIF Rotterdam
    - Off-take expected to run well beyond 2014 due to minimum delivery quantity
- Over 474,000 dmt of concentrate has been delivered from Santa Rita since first delivery in November 2009
- Competitive tender process to secure second off-take partner commenced Q3 2014

# Current Nickel Market Dynamics

## Nickel Stock Levels & Nickel Prices

5 Year LME Nickel Warehouse Stocks Level



5 Year Nickel Spot



- Recent Indonesian Ore export ban driving;
  - lower Chinese NPI production<sup>1</sup>
  - recent recovery in Nickel price<sup>1</sup>
- Higher LME stocks reflect Chinese stockpiling of NPI Ore (LME Nickel substitute) prior to Indonesian Ore ban. Reduction in LME stock levels expected in short to medium term

- Nickel Price forecast to rise in 2015 & 2016 (US\$10.73 & \$12.45/lb in 2015 & 2016 respectively)<sup>1</sup>
- Indonesian NPI potentially available from 2016, albeit at lower levels than Chinese NPI production<sup>1</sup>

# Longer Term Potential Supply Shortages and Strengthening Prices



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- 650kt of yet unidentified new nickel projects required to meet long term demand <sup>1</sup>
- Average nickel laterite and sulphide mined grades continue to decline adding to the cost of producing nickel
- NPI production forecast to fall by more than 50% in 2015 comparing to 2013 levels <sup>2</sup>
- Indonesian ban likely to be maintained by new president, impacting Chinese NPI supply <sup>2</sup>
- Wood Mackenzie price forecast for 2014 (current) has been revised to US\$8.21/lb <sup>1</sup>
- Wood Mackenzie maintain long term incentive price for new nickel projects of US\$13.60/lb (2014 terms) <sup>1</sup>



Source 1: Wood Mackenzie, June 2014

Source 2: Wood Mackenzie, July 2014

# Conclusions

- Successful Company recapitalization providing strong cash position and lower debt
- New Board and CEO with wealth of experience
- Continued corporate focus on cost reduction and operational optimisation
- 20 year open pit reserve life underpins the Company's strategic importance in the nickel market
- Mirabela is well positioned to weather the current challenging nickel market and take full advantage of a strengthening nickel price

