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FOR IMMEDIATE RELEASE

TSX: MNB, ASX: MBN

22 January 2007

Ordinary shares outstanding: 126,871,100

PROVEN AND PROBABLE RESERVE FOR SANTA RITA

PERTH, AUSTRALIA Mirabela Nickel Limited (TSX: MNB, ASX: MBN) is pleased to announce the first Proven and Probable Reserve for Santa Rita as follows:

Proven and Probable Reserve – 84mt grading 0.61% Ni
Contained nickel – 508,000t (1.1MM lb)
Strip ratio – 7.96:1
Weighted average recovery – 69.4% Ni

“With over half a million tonnes of contained nickel, Santa Rita now has the world’s third largest open-cut nickel sulphide reserve after BHP Billiton’s Mt Keith deposit and Vale’s Voisey’s Bay deposit. And we are still finding more,” said Mirabela Nickel Managing Director Nick Poll. “This is a remarkable achievement for a Company that listed in 2004 and discovered the Santa Rita deposit two months later,” he said.

The Reserve estimate is based upon the Potential Mill Feed Resource Estimate announced in November 2007 as follows:

Measured and Indicated Resource – 90mt grading 0.60% Ni
Inferred Resource – 10.7mt grading 0.60% Ni
Strip ratio – 7.7:1

The Reserve estimate cannot include the 10.7mt of Inferred Resource and therefore uses a smaller pit design based only upon the Measured and Indicated Resource. The Company has already completed additional drilling to upgrade the Inferred Resource to Indicated status and assays are expected over the next four weeks. Upon receipt of these results, the Reserve estimate is expected to be upgraded to a larger pit broadly in line with that used in the Potential Mill Feed Resource Estimate.

“While we are pleased with this maiden Reserve estimate, we see this as an intermediate step for the growing Santa Rita deposit,” said Mr Poll. “We have already completed drilling out the Inferred Resource and core logging is consistent with expectations, so this is expected to provide an early addition to the Reserve. There is also great exploration potential for additional resource in the Southern zone, so we expect to continue adding to the Reserve, particularly over the next six months,” he said.

Equity financing was completed in June, 2007 and the Company has cash reserves of about US\$150m. A debt financing facility for up to \$260m was mandated to BNP Paribas and Credit Suisse in January, 2008. It is expected that the debt facility will be ready for drawdown in mid 2008.

Advanced negotiations are underway to sell the concentrate product to a smelter. At the same time, the Company is finalizing a scoping study to build a smelter at Santa Rita and is expected to announce the results of this work shortly.

The conversion of resources to reserves (as defined by the Canadian NI 43-101 and Australian JORC mining codes) requires detailed estimates of economic and physical parameters for mining. The resultant average mining costs (US\$ per tonne of material) are as follows:

Operating cost – \$1.17/t
Capital allowance – \$0.14/t
Total mining cost – \$1.31/t

The Reserve estimate is based on a mining rate of 4.6mtpa and a nickel price of US\$7/lb as used for the November 2007 resource estimate and the NI 43-101 report currently lodged on SEDAR (www.sedar.com) under the Company's profile.

These mining costs are similar to the previous costs used for the November 2007 pit optimization studies (US\$1.34/t). Both the mining cost and the capital allowance are based on a long term exchange rate of R\$2.00 to the US dollar.

The detailed analysis carried out for the Reserve estimate will be included in an updated Santa Rita NI 43.101 report that will be published within the next 45 days.

Background

Mirabela Nickel is listed on the Australian and Toronto stock exchanges. With an in-pit Indicated Resource of 90mt at 0.60% Ni, Santa Rita is the largest greenfields nickel sulphide discovery worldwide in the last 12 years and the largest nickel sulphide deposit in Latin America. Exploration is underway to determine underground mining potential below 500m deep, as mineralization appears to continue well below current drilling.

Construction of a nickel sulphide concentrator commenced in November 2007 and is progressing well. The plant is expected to produce 18,500t a year of nickel in a sulphide concentrate from one open-cut mine starting from mid 2009. At this rate of production the project is expected to have a mine life of at least 18 years. Studies are underway to increase nickel production to 25,000t a year.

Nick Poll
Managing Director

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The information in this report that relates to mine scheduling studies, ore reserve and mining costs estimation is based on information compiled by Carlos Guzman who is a professional Mining Engineer and Project Manager with NCL Brasil and a Member of the Australasian Institute of Mining and Metallurgy and is a Qualified Person in accordance with NI 43-101. Carlos Guzman is a consultant to Mirabela Nickel Limited. Mr. Guzman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

All other technical information in this report has been reviewed by Nicholas Poll, who is a Member of the Australasian Institute of Mining and Metallurgy. Nicholas Poll is the Managing Director of the Company. Nicholas Poll consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Caution Regarding Forward Looking Statements: *The forward-looking statements made in this announcement are based on assumptions and judgments of management regarding future events and results. Such forward-looking statements, including but not limited to those with respect to resource targets or the development of a mine and/or a smelter at Santa Rita and the Company's capital expenditures and estimated future production involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the actual market prices of nickel, the actual results of current exploration, the actual results of future mining, processing and development activities, changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's filed documents.*