

Talvivaara Mining Company Plc
Stock Exchange Release 28 April 2009

Interim Management Statement for the period of 1 January – 27 April 2009

First nickel sulphides delivered to Norilsk Nickel Harjavalta Materials handling systems to be upgraded to deal with delays with crushing and to facilitate production expansion

Highlights

- First shipment of nickel sulphide to Norilsk Nickel Harjavalta was sent on 19 February 2009
- Mining, leaching and metals recovery processes are functioning well
- Crushing capacity has continued to remain substantially below budgeted levels for the year to date, but is expected to significantly improve during the second half of the year
- Our most recent analysis leads us to believe that it is unlikely that previously stated nickel production targets for 2009 are met, reflecting the reduced levels of crushing to date
- Agreement has been reached with Sandvik for the delivery and financing of additional crushing equipment to increase crushing capacity from September 2009 by approximately 45% to 22 million tonnes per annum
- Safety at the mine site remained good with 5 minor lost time injuries during the period; there have been no LTI's since the launch of the Work Group Safety Challenge at the beginning of February 2009
- The number of employees at Talvivaara increased from 239 at the end of 2008 to 272 on 27 April 2009; recruitment will continue throughout the ramp-up period during the remainder of the year
- First EUR 20 million of the EUR 50 million investment and working capital loan from Finnvera Plc was drawn down in two instalments on 17 and 23 April 2009
- The Company continues to have sufficient facilities in place to execute its original ramp up plans despite the delay
- The production target for 2010 of 30,000t remains unchanged; plans for production expansion to 45 thousand tonnes of nickel in 2011 and 50 thousand tonnes in 2012 are under preparation

Talvivaara's CEO, Pekka Perä comments:

"I am very pleased to have seen our first shipment of nickel and zinc sulphides been made, which is a major milestone. Having received invoices for several years now, it is gratifying to now be able to send them ourselves."

"With all the other main areas of work on the production ramp-up functioning well, it has been frustrating to have our production ramp-up delayed by difficulties with crushing capacity. With regard to the crushing issue, we have now come to the conclusion that in order to secure our overall production capacity in the long term, it is time to invest in additional crushing capacity as soon as possible. We are working on the expansion of crushing in close partnership with Sandvik with whom we have agreed a detailed implementation timetable."

"Our main focus remains the ramp-up process and maintaining Talvivaara's position as a low cost metal producer. We intend to ensure we are in a position to catch up by the summer of 2010 on the crushing volumes lost this year. However, due to the process related delay from crushing to the actual

metals production, the production target for 2010 of 30,000t remains unchanged. Our plans for production expansion now include output of 45 thousand tonnes of nickel in 2011 increasing to 50 thousand tonnes in 2012, with final decisions on the expansion pending financing arrangements, but expected still this year."

Key events during the reporting period:

First nickel sulphides shipped to Norilsk Nickel – ramp-up continues

The first shipment of approximately 100 tonnes of nickel product was sent on 19 February 2009 from the Talvivaara mine to the Norilsk Nickel Harjavalta refinery, marking the beginning of saleable quantity and quality metals production at Talvivaara. The 450 tonnes of zinc sulphide obtained from the first production campaign was sold as a spot sale.

The second metal sulphide production campaign started on 22 April 2009 and is estimated will continue until mid to late May.

Mining and bioheapleaching processes progressed as planned during the period. The increase in overall production volumes continued to be limited by crushing capacity.

Materials handling systems to be upgraded to catch up on delay with crushing and to facilitate production expansion

Further amendments to Talvivaara's fine crushing circuit were made during the first quarter of the year in order to achieve the name plate capacity of the system. As a result, the performance of the circuit has improved and around 80% of the targeted capacity can now be consistently achieved. However, the first quarter of 2009 fell approximately 50% short of the production target due to deficient system performance and production stoppages for the amendment works.

In order to secure sufficient capacity in the long term and to catch up the already incurred crushing delay by Q3 2010, Talvivaara has decided to redesign the entire crushing system and to acquire additional crushing equipment with expected availability for use in September 2009. The Company has reached agreement with Sandvik Mining and Construction Oy on corrective actions required for the original crushing and screening line, the delivery of additional crushing capacity, and on financing of the additional supply. The scope of the additional supply will be such that, together with the existing gear in a redesigned circuit, it enables steady state crushing capacity at approximately 22 million tonnes per annum. This represents a 45% increase over the presently planned capacity and functions therefore as a first step towards the planned overall production expansion.

Modifications required for the increased capacity in the subsequent process stages, agglomeration and stacking, have already been defined and are under preparation.

Personnel and safety

Talvivaara Group's personnel increased from 239 at the start of the reporting period to 272 by the date of this statement. The growth in personnel stemmed primarily from the recruitment of maintenance personnel and operators for various production processes. Recruitment of personnel will continue throughout the ramp-up period during the remainder of the year.

By the end of the reporting period, the number of contractor personnel at the mine site had reduced to approximately 200, indicating that the construction project is nearing its completion. During the summer of 2009 the preparations for and installation of the additional crushing circuit will temporarily increase the number of contractor workforce. At steady state production, the number of contractor personnel on site is anticipated to be approximately 100.

During the reporting period there were 5 lost time injuries on site. Of these, three occurred to Talvivaara's own personnel. No lost time injuries have been reported after the Company launched a continuous Work Group Safety Challenge in the beginning of February 2009.

Investment and working capital loan from Finnvera Plc

The first EUR 20 million of the EUR 50 million investment and working capital loan from Finnvera Plc was drawn down in two instalments on 17 and 23 April 2009. The loan is intended to cover Talvivaara's financing needs during the ramp-up period in 2009. Repayments of the loan are scheduled to start in December 2013.

Talvivaara continues to have facilities in place to finance the original ramp-up despite the production delays caused by technical difficulties in materials handling.

Market environment

The base metals markets have continued to be challenging during the first months of 2009. The spot prices of nickel and zinc have recently been around USD 11,000-12,000 per tonne and USD 1,300-1,500 per tonne, respectively, which is 20-30% above the prices seen in the early part of the year. The demand for base metals has not yet markedly improved, however, indicating that no significant improvement in market prices can be expected in the short term.

Short term outlook

Crushing problems have affected production levels in the early part of the year but the upcoming installation of additional crushing capacity should mean that whilst output during the first half of the year will be substantially below the budgeted level, production levels will significantly improve during the latter half. The exact timing and length of the production stoppage required for the installation of the new crushing gear is not yet known. However, overall, it is unlikely that the previously stated production targets for 2009 will be achieved. Crushing volumes lost this year are anticipated to be caught up by Q3 2010, while metals production potentially lost this year is anticipated to be caught up in 2011 at the latest.

Due to the technical challenges experienced in crushing, the Company has continued to review both capital and operational expenditure with the goal of minimising costs during 2009. Operational expenditure is largely dependent on the eventual production volume, but savings are in any case expected to be achieved through lower than budgeted consumables prices. Some freight costs will also be deferred, as Norilsk Nickel has informed Talvivaara of a delay in the completion of the facilities being built for the Talvivaara product. Due to this delay, it has been agreed that Talvivaara will only ship further amounts of nickel sulphide to Norilsk Nickel from August 2009 onwards. All amounts produced prior to that time will however be invoiced upon production and paid by Norilsk Nickel in accordance with the terms of the off-take agreement.

With the additional crushing capacity already committed, Talvivaara continues to investigate possibilities to also commit to an overall capacity increase of 40-45% over the presently planned level

of 33,000 tonnes of nickel per annum. Negotiations are ongoing relating to the supply and financing of the necessary modifications to the metals plant and of the required earth works. Subject to financing arrangements being available, the Company is prepared to pursue the capacity increase during the current year.

There will be a conference to discuss the statement on 28 April 2009 at 11.00 (UK)/13.00 (Finland).

Details to access the conference call are as follows:

UK Free Call: 0800 694 0257

UK Standard International: +44 (0) 1452 555 566

USA Free Call: 1866 966 9439

Finland Free Call: 0800 112 363

and the conference ID is 97353284

A replay facility will be available on the following numbers until 5 May 2009:

Replay Access Number: 97353284#

International Dial in: +44 (0) 1452 55 00 00

UK Free Call Dial In: 0800 953 1533

UK Local Dial In: 0845 245 5205

USA Free Call Dial In: 1866 247 4222

Enquiries:

Talvivaara Mining Company Plc

Pekka Perä

Saila Miettinen-Lähde

Tel. +358 20 7129 800

Merlin

Tom Randell

Anca Spiridon

Tel: +44 207 653 6620

Note: The information presented in this release is unaudited.

About Talvivaara Mining Company Plc.

Talvivaara is a Finnish mining company operating a large open pit nickel mine in Sotkamo, Finland. Talvivaara aims to become an internationally significant base metals producer with its primary focus on nickel and zinc using a technology known as bioheapleaching to extract metals out of ore. Bioheapleaching makes extraction of metals from low grade ore economically viable. The Talvivaara deposits comprise one of the largest known sulphide nickel resources in Europe. The ore body is sufficient to support anticipated production for over 60 years. The Company has secured a 10-year off-take agreement for 100 per cent of its main output of nickel and cobalt to Norilsk Nickel. Talvivaara is listed on the London Stock Exchange Main Market and is included in the FTSE 250 Index. Further information can be found at www.talvivaara.com