

Stock Exchange Release**Talvivaara Mining Company Plc****21 February 2013**

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Talvivaara publishes technical review report prepared by SRK Consulting**Ramp-up to 50,000tpa nickel production seen technically feasible by SRK subject to successful mitigation of remaining production bottlenecks and continued improvement in metals leaching**

Talvivaara Mining Company Plc ("Talvivaara" or the "Company") announced a proposed rights issue on 14 February 2013 to raise approximately EUR 260 million in gross proceeds ("Proposed Rights Issue"). Proceeding with and completion of the Proposed Rights Issue remains subject to shareholders authorizing the Board Of Directors to decide on the Proposed Rights Issue at an Extraordinary General Meeting to be held on 8 March 2013. In connection with the Proposed Rights Issue preparations, Talvivaara commissioned a technical review report by SRK Consulting (UK) Limited ("SRK"). The report is anticipated to be included in the prospectus containing details of the Proposed Rights Issue, which is expected to be published on Talvivaara's website on or around 13 March 2013. Talvivaara has today, 21 February 2013, published the report in its current form on its website at www.talvivaara.com as a separate document. The report remains subject to change due to any change in circumstances, additional findings or other factors until the date of publication of the prospectus when the final report is anticipated to be made public as part of the prospectus.

SRK's technical review covered, among other areas, Talvivaara's geology and mineral resources, ore production, bioheapleaching and metals recovery operations, expected production ramp-up and associated capital and operating cost assumptions. In particular, SRK reviewed the conditions and requirements for production ramp-up to Talvivaara's currently planned full capacity of 50,000 tonnes of nickel per annum.

Talvivaara considers the key findings of SRK's review to be as follows:

Geology and mining

- SRK has reviewed Talvivaara's Mineral Resource Estimate and reported an audited version of this, as defined by the JORC Code, of some 1.91Bt with a mean grade of 0.23% nickel and

containing some 4.3Mt of nickel; this comprises a Measured Mineral Resource of 0.50Bt with a mean grade of 0.23% nickel, an Indicated Mineral Resource of 0.78Bt with a mean grade of 0.23% nickel and an Inferred Mineral Resource of 0.62Bt with a mean grade of 0.21% nickel

- SRK has estimated, based on certain assumptions, that some 992Mt of the above Mineral Resource with a mean grade of 0.24% nickel could be mined over the next approximately 40 years at the currently planned mining rate
- SRK has recommended that Talvivaara reviews its mine planning for instance with respect to cut-off grades, pit design and waste dump construction, which are steps the Company is undertaking
- The planned mining fleet is expected by SRK to be sufficient to support Talvivaara's planned ore and waste mining tonnages

Materials handling

- The primary crushing circuit should be capable of achieving tonnages required for contemplated production levels, provided sufficient utilization rates are maintained
- Some new fine crushing and agglomeration capacity is required to achieve production at full capacity, and the Company has taken this into account in its capital expenditure plans
- SRK considers the primary heap stacking system to be capable of delivering required tonnages for production at full capacity
- SRK considers primary heap reclaiming to be an area of concern for future production ramp-up due to hardness of the leached material and poor availability of the existing reclaiming system; Talvivaara has already acquired a jaw crusher and additional capital expenditure has been included in future plans to improve reclaiming capacity

Bioheapleaching

- Heap aeration has been identified by SRK as a material contributor to weak leaching performance, and Talvivaara is taking several steps to improve aeration
- According to SRK, fundamental leaching results have demonstrated significant improvement since initial heap sections, and latest results indicate primary leaching has achieved 60-70% nickel recoveries
- According to SRK, while current metal grades in solution are impacted by excess water in the circuit, concentrations have been gradually increasing since start-up and SRK expects metal grades to continue to improve as excess water is removed, further understanding of heap dynamics is acquired and the primary-secondary leaching cycle reaches an equilibrium
- As the leaching process has not yet operated through the full leaching cycle, SRK considers additional time to be required for a full assessment of leaching results

Metals recovery

- While SRK considers that an annual production rate of 30,000 tonnes of nickel is readily achievable at the metals plant, higher metal loadings are required to demonstrate ability to deliver 50,000 tonnes of nickel per annum
- SRK concurs that an additional hydrogen sulphide plant will be required for the full capacity metal production, and additional capital expenditure has been included in Talvivaara's future plans

Production ramp-up and associated cost base

- SRK has reviewed and adjusted Talvivaara's production ramp-up schedule, and the adjusted profile implies approximately 30,000 tonnes of nickel per annum in 2014-2015 and approximately 50,000 tonnes of nickel per annum around 2018

- SRK has reviewed and adjusted Talvivaara's operating cost assumptions, and the adjusted profile implies a total annual operating cost base for all metals (i.e. by-product credits not netted off) of approximately EUR 350-400 million corresponding to production at full capacity of 50,000 tonnes of nickel per annum
- A total annual operating cost base for all metals of approximately EUR 350-400 million at full capacity would imply a cash cost of approximately USD 6,000-8,000/t of refined nickel based on certain by-product metals price and EUR/USD assumptions
- SRK has reviewed and adjusted Talvivaara's capital cost estimates, and total capital expenditure in 2013-2020 is estimated at EUR 300-350 million which would correspond to an average annual capital expenditure of approximately EUR 40 million

Achieving the production levels within the timeframe and at the cost levels indicated in the SRK review report are based on a number of assumptions made in reliance on the information made available to SRK by Talvivaara and SRK's judgments based on such information. The assumptions used in estimating the production levels and the timeframe and associated costs are inherently uncertain and are subject to a wide variety of significant operational, regulatory, industry and other risks and uncertainties that could cause actual outcomes to differ materially from those contained in SRK report, including, but not limited to:

- delayed recommencement of ore production in 2013;
- failure to obtain, and maintain, permits required for the anticipated production capacity on satisfactory terms;
- failure to undertake required steps to discharge excess water from the mine site;
- higher than anticipated capital expenditure;
- higher than anticipated operating expenditure;
- lower than expected availabilities or utilization rates of equipment and processes;
- failure to acquire, build or finance additional equipment or production capacity required to support higher production levels;
- failure to implement a primary heap reclaiming system capable of achieving targeted reclaiming rates;
- failure to develop and optimize bioheapleaching or metals recovery plant operations such that targeted production levels and metal grades in solution can be achieved;
- failure to achieve expected metal leaching rates;
- production not proceeding in accordance with ramp-up plan; and
- unscheduled production stoppages.

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Talvivaara Mining Company Plc

Talvivaara Mining Company is 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 estimated to support anticipated production for several decades. Talvivaara has secured a 10-year off-take agreement for 100 per cent of its main output of nickel and cobalt to Norilsk Nickel and entered

into a long-term zinc streaming agreement with Nyrstar NV. Talvivaara is listed on the London Stock Exchange Main Market and NASDAQ OMX Helsinki. Further information can be found at www.talvivaara.com.

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