

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

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, HONG KONG, SOUTH AFRICA OR JAPAN OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL.

THIS ANNOUNCEMENT IS AN ADVERTISEMENT AND NOT A PROSPECTUS AND INVESTORS SHOULD NOT SUBSCRIBE FOR OR PURCHASE ANY SHARES OR SECURITIES REFERRED TO IN THIS ANNOUNCEMENT EXCEPT ON THE BASIS OF INFORMATION IN THE APPLICABLE PROSPECTUS WHICH, SUBJECT TO APPROVAL FROM THE FINNISH FINANCIAL SUPERVISORY AUTHORITY, IS EXPECTED TO BE PUBLISHED BY TALVIVAARA IN CONNECTION WITH THE RIGHTS ISSUE. COPIES OF THE PROSPECTUS WILL, FOLLOWING PUBLICATION AND DISTRIBUTION, BE AVAILABLE FROM TALVIVAARA'S REGISTERED OFFICE.

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, bioheap leaching 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.

Enquiries

Talvivaara Mining Company Plc Tel +358 20 7129 800

Pekka Perä, CEO

Saila Miettinen-Lähde, Deputy CEO and CFO

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.

DISCLAIMER

This announcement is an advertisement and not a prospectus and investors should not subscribe for or purchase any shares or securities referred to in this announcement except on the basis of information in the applicable prospectus which, subject to approval from the Finnish Financial Supervisory Authority, which are expected to be published by Talvivaara in connection with the proposed rights issue. Copies of the prospectus will, following publication and distribution, be available from Talvivaara's registered office. Nothing in this announcement should be interpreted as a term or condition of the proposed rights issue.

The information contained herein is not for publication or distribution, directly or indirectly, in or into the United States, Canada, Australia, Hong Kong, South Africa or Japan. These written materials do not constitute an offer of securities for sale in the United States, nor may the securities be offered or sold in the United States absent registration or an exemption from registration as provided in the U.S. Securities Act of 1933, as amended, and the rules and regulations thereunder. There is no intention to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.

The issue, exercise or sale of securities in the offering are subject to specific legal or regulatory restrictions in certain jurisdictions. Talvivaara assumes no responsibility in the event there is a violation by any person of such restrictions.

The information contained herein shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities referred to herein in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction. Investors must neither accept any offer for, nor acquire, any securities to which this announcement refers, unless they do so on the basis of the information contained in the applicable prospectus published or distributed by Talvivaara.

Talvivaara has not authorised any offer to the public of securities in any Member State of the European Economic Area other than Finland and the United Kingdom. With respect to each Member State of the European Economic Area other than Finland and the United Kingdom and which has implemented the Prospectus Directive (each, a "Relevant Member State"), no action has been undertaken or will be undertaken to make an offer to the public of securities requiring publication of a prospectus in any Relevant Member State. As a result, the securities may only be offered in Relevant Member States (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive; or (b) in any other circumstances falling within Article 3(2) of the Prospectus Directive. For the purposes of this paragraph, the expression an "offer of securities to the public" means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to exercise, purchase or subscribe the securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

This communication includes forward-looking statements within the meaning of the securities laws of certain applicable jurisdictions. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this communication, including, without limitation, those regarding estimates of Talvivaara's production levels and the timeframe and associated costs. By their nature, forward looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. Talvivaara cautions you that forward-looking statements are not guarantees of future performance and are based on numerous assumptions and that its actual results of operations, including its financial condition and liquidity, as well as production levels may differ materially from (and be significantly more negative than) those made in, or suggested by, the forward-looking statements contained in this communication. These assumptions are inherently uncertain and subject to a wide variety of significant operational and regulatory risks and uncertainties that could cause the actual outcome of Talvivaara's actions to materially differ from those anticipated.

No statement in this announcement is intended as a profit forecast or a profit estimate and no statement in this announcement should be interpreted to mean that earnings per share for the current or future financial years would necessarily match or exceed the historical published earnings per share. Prices and values of, and income from, shares may go down as well as up and an investor may not get back the amount invested. It should be noted that past performance is no guide to future performance. Persons needing advice should consult an independent financial adviser.

J.P. Morgan Securities plc, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as sole sponsor for Talvivaara and no one else in connection with the proposed rights issue and will not regard any other person (whether or not a recipient of this announcement) as a client in relation to the proposed rights issue and will not be responsible to anyone other than Talvivaara for providing the protections afforded to its clients or for giving advice in connection with the proposed rights issue, the contents of this announcement and the accompanying documents or any other transaction, arrangement or matter referred to herein or therein.

Each of Nordea Bank Finland Plc, Merrill Lynch International, BNP PARIBAS and Danske Bank A/S Helsinki Branch is acting exclusively for Talvivaara and for no one else in connection with the proposed rights issue and will not regard any other person (whether or not a recipient of this announcement) as a client in relation to the proposed rights issue and will not be responsible to anyone other than Talvivaara for providing the protections afforded to their respective clients or for providing advice in connection with the proposed rights issue or any other transaction, arrangement or matter referred to herein.

This announcement should not be considered a recommendation by any of J.P. Morgan Securities plc, Nordea Bank Finland Plc, Merrill Lynch International, BNP PARIBAS or Danske Bank A/S Helsinki Branch or any of their respective directors, officers, employees, advisers or any of their respective affiliates in relation to any purchase of or subscription for securities.

No representation or warranty, express or implied, is given by or on behalf of any of J.P. Morgan Securities plc, Nordea Bank Finland Plc, Merrill Lynch International, BNP PARIBAS or Danske Bank A/S Helsinki Branch or any of their respective directors, officers, employees, advisers or any of their respective affiliates or any other person as to the accuracy, fairness,

sufficiency or completeness of the information or the opinions or the beliefs contained in this announcement (or any part hereof).

None of the information contained in this announcement has been independently verified or approved by any of J.P. Morgan Securities plc, Nordea Bank Finland Plc, Merrill Lynch International, BNP PARIBAS or Danske Bank A/S Helsinki Branch or any of their respective directors, officers, employees, advisers or any of their respective affiliates. Save in the case of fraud, no liability is accepted by any of J.P. Morgan Securities plc, Nordea Bank Finland Plc, Merrill Lynch International, BNP PARIBAS or Danske Bank A/S Helsinki Branch or any of their respective directors, officers, employees, advisers or any of their respective affiliates for any errors, omissions or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred howsoever arising, directly or indirectly, from any use of this announcement or its contents or otherwise in connection with this announcement.

No person has been authorised to give any information or to make any representations other than those contained in this announcement and, if given or made, such information or representations must not be relied on as having been authorised by Talvivaara, any of J.P. Morgan Securities plc, Nordea Bank Finland Plc, Merrill Lynch International, BNP PARIBAS or Danske Bank A/S Helsinki Branch or any other person. Subject to applicable rules and regulations, the issue of this announcement shall not, in any circumstances, create any implication that there has been no change in the affairs of Talvivaara and its group since the date of this announcement or that the information in it is correct as at any subsequent date.

This communication is directed only at (i) persons who are outside the United Kingdom or (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) and (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2) of the Order (all such persons together being referred to as “relevant persons”). Any investment activity to which this communication relates will only be available to and will only be engaged with, relevant persons. Any person who is not a relevant person should not act or rely on this announcement or any of its contents.

Neither the content of Talvivaara’s website (or any other website) nor the content of any website accessible from hyperlinks on Talvivaara’s website (or any other website) is incorporated into, or forms part of, this announcement.