

**STOCK EXCHANGE RELEASE**

Talvivaara Mining Company Plc  
17 November 2011

**2011 Capital Markets Day  
Financial and operational update**

Talvivaara Mining Company Plc ("Talvivaara" or the "Company") is holding its 2011 Capital Markets Day for analysts and investors at Intercontinental Hotel Park Lane, London, today. The Capital Markets Day presentations will include an update on strategy, operations and environmental sustainability, as well as guidance on 2012 full year production and planned capital and operating expenditure.

**Highlights**

- Production remains on track to meet previously given 2011 guidance of 16,000t of nickel
- 2012 full year production guidance: 25,000-30,000t of nickel and 50,000-60,000t of zinc
- 2012 full year capital expenditure estimated at EUR 40-50 million (excluding uranium)
- 2012 full year operating expenditure estimated at approximately EUR 250 million

**Q4 2011 operational update**

Operations at the Sotkamo mine have progressed according to plan during the fourth quarter. Full year 2011 ore production is estimated at approximately 11Mt and waste mining at 18Mt. Materials handling operations are also progressing well, with the entire process now operating at a satisfactory level. In bioheapleaching, the newly constructed primary heap section 1 and secondary heap have been taken into production, enabling a further improvement and better control of metal grades in solution.

In metals recovery, both of Talvivaara's production lines have been on stream since mid-October, and the entire metals recovery process has operated in a stable and predictable manner. The average PLS feed to metals recovery has been approximately 1,100 m<sup>3</sup>/h during the fourth quarter, and is currently stable at approximately 1,500 m<sup>3</sup>/h. As a result, daily nickel precipitation since mid-October has been 60-70t. Based on current daily production volumes and foreseen overall availability of the metals recovery plant, Talvivaara expects to achieve the previously stated full year 2011 production guidance of 16,000t of nickel.

**Production guidance**

Talvivaara anticipates full year 2012 production to amount to 25,000-30,000t of nickel, 50,000-60,000t of zinc and 500-600t of cobalt. Copper is expected to be produced from the first half of 2012 onwards, and subject to receiving all the necessary permits, minor amounts of uranium intermediate (yellow cake) may also be recovered during the fourth quarter of 2012. The production guidance is based on a PLS flow to metals recovery of approximately 1,200-1,500 m<sup>3</sup>/h during the year, and an average nickel grade in solution of approximately 2.5 g/l, implying average daily nickel precipitation of 70-90t during the year. The mining department is expected to produce approximately 18Mt of ore and 12Mt of waste.

Talvivaara also reiterates 50,000tpa of nickel as the full capacity target. While all individual processes have been proven to be capable of operating at the full capacity level, further improvements are required such that all processes operate at the required level on a continuous basis.

**Capital and operating expenditure guidance**

Talvivaara anticipates full year 2012 operating expenditure to be approximately EUR 250 million, including financial leasing costs of EUR 15-20 million. Depreciation and amortization for the year is anticipated at EUR 40-45 million. The cash cost of production, net of by-product credits, on nickel in concentrate is estimated at EUR 6,000-6,500/t for 2012 and EUR 4,500-5,000/t for 2013. The cash cost on refined nickel metal, incorporating the treatment charge for nickel, is estimated at EUR 8,000-8,500/t for 2012 and EUR 6,500-7,000/t for 2013, net of by-product credits.

Full year 2012 capital expenditure is expected at EUR 40-50 million, excluding the construction costs of the uranium extraction circuit, which are estimated at approximately EUR 40 million for 2012. Under the uranium off-

take agreement with Cameco Corporation, up to USD 60 million of the construction costs are reimbursed to Talvivaara by Cameco. Additionally, Talvivaara remains committed to carrying out required environmental investments.

### **Environmental update**

Talvivaara is also providing an update in connection with recent media coverage on water discharges from its Sotkamo operations. When the Company discovered the higher than anticipated level of water discharges in the autumn of 2010, it commenced action in co-operation with the Kainuu Centre for Economic Development, Transport and the Environment ("ELY Centre") to systematically take corrective measures. These have included improved precipitation of manganese from process waters and removal of sulphates through increased recycling of process waters. As a result of the measures taken, sulphate discharges have reduced by approximately 50% and manganese discharges by 80% since 2010. Additional measures are planned, including further increasing the recycling of process waters, catalytic scrubbing of hydrogen sulphide gases, and application of new water purification techniques, that are currently being evaluated. A total reduction in sulphate emissions of 85% is targeted by 2015. Sustainability is a key component of Talvivaara's strategy, and the Company will continue to minimise environmental emissions through process improvements and environmental investments.

The police have been notified of Talvivaara's sulphate and manganese discharges on the grounds of the environmental protection legislation. While the police investigation is still ongoing, the Company continues to hold the view that no crime has occurred.

The live webcast and presentations of the Capital Markets Day starting at 12:30 UK / 14:30 Finland are available on: <http://www1.axisto.co.uk/webcasting/investis/talvivaara/capital-markets-day-2011/>

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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 bioheap leaching to extract metals out of ore. Bioheap leaching 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 at least 46 years. 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 and is included in the FTSE 250 Index and the OMXH 25 Index. Further information can be found at [www.talvivaara.com](http://www.talvivaara.com).*