

Talvivaara Mining Company Plc
Stock Exchange Release 4 December 2008

Talvivaara Resource and Operations Update

Financial calendar for 2009

Talvivaara Mining Company Plc ("Talvivaara" or the "Company"), the Finnish mining company with a primary focus on nickel, is pleased to announce a resources and operations update and the financial calendar for 2009.

Highlights:

- A significant increase in mineral resources since December 2007
 - 42% increase in Measured and Indicated to 642 mt
 - 76% increase in Measured, Indicated and Inferred to 1,004 mt
 - The increased resources contain almost double the amount of nickel and zinc metal
- Project phase nearing completion, production ramp-up progressing
- USD320m project loan facility has been fully drawn down
- Environmental permit final and binding

Mineral Resources Increase

Talvivaara announces a 42% increase (189 million tonnes) in Measured and Indicated Mineral Resources, as defined by the JORC code, and a 76% increase (435 million tonnes) in Measured, Indicated and Inferred Resources, as defined by the JORC code, in the Kuusilampi and Kolmisoppi deposits in Sotkamo, Finland. The 42% addition now takes the Measured and Indicated Resources to a total of 642 million tonnes and the total Mineral Resource up to 1,004 million tonnes. The increased resources contain 2.2 million tonnes (up from 1.3 million tonnes) of nickel metal and 5.0 million tonnes of zinc metal (up from 2.9 million tonnes), further reaffirming Talvivaara's position as one of the top nickel mines globally and as an internationally significant zinc producer.

The resource increase results from a drilling campaign focused on ore boundary definition up to 300 metres north of the previously known boundaries of Kuusilampi orebody. The Kuusilampi Mineral Resource now totals 505 million tonnes in Measured and Indicated Categories and 826 million tonnes with Inferred Resource included. The Kuusilampi orebody is still open at north, east, south and at depth.

Mineral Resources at the Kolmisoppi deposit remain at their previous levels, as the drilling campaign only covered the Kuusilampi deposit for mine and support area planning.

The updated and previously published Mineral Resource tables based on 0.07% nickel cut-off grade are presented below. The new mine production plan under preparation will apply the 0.07% cut-off.

Table 1: Updated Kuusilampi and Kolmisoppi Resources as at 4 December 2008 (at 0.07% nickel cut-off).

Mineral Resource	Tonnage	(Ni (Mt (Ni	(Co (Mt (Co	(Cu (Mt (Cu	(Zn (Mt (Zn	(Ni (Mt (Ni	(Co (Mt (Co	(Cu (Mt (Cu	(Zn (Mt (Zn
Measured	363.5	0.23	0.84	0.02	0.07	0.13	0.47	0.51	1.85
Kuusilampi	301.6	0.23	0.69	0.02	0.06	0.13	0.39	0.51	1.54
Kolmisoppi	61.9	0.25	0.15	0.02	0.01	0.14	0.09	0.52	0.32
Indicated	278.1	0.22	0.61	0.02	0.06	0.13	0.36	0.49	1.36
Kuusilampi	203.5	0.22	0.45	0.02	0.04	0.12	0.24	0.49	1.00
Kolmisoppi	74.5	0.22	0.16	0.02	0.01	0.13	0.10	0.49	0.37
Measured + Indicated	641.6	0.23	1.48	0.02	0.13	0.13	0.83	0.50	3.21
Inferred	362.6	0.20	0.73	0.02	0.07	0.12	0.44	0.49	1.78
Kuusilampi	321.2	0.20	0.64	0.02	0.06	0.12	0.39	0.49	1.57
Kolmisoppi	41.3	0.20	0.08	0.02	0.01	0.12	0.05	0.47	0.19
Total	1,004.2	0.22	2.21	0.02	0.20	0.13	1.31	0.50	5.02

Table 2: Previously reported Kuusilampi and Kolmisoppi Resources as at 4 December 2007 (at 0.07% nickel cut-off).

Mineral Resource	Tonnage	(Ni (Mt (Ni	(Co (Mt (Co	(Cu (Mt (Cu	(Zn (Mt (Zn	(Ni (Mt (Ni	(Co (Mt (Co	(Cu (Mt (Cu	(Zn (Mt (Zn
Measured	263.2	0.25	0.65	0.02	0.05	0.14	0.36	0.52	1.37
Kuusilampi	201.3	0.25	0.50	0.02	0.04	0.14	0.28	0.52	1.04
Kolmisoppi	61.9	0.25	0.15	0.02	0.01	0.14	0.09	0.52	0.32
Indicated	189.5	0.23	0.43	0.02	0.04	0.13	0.25	0.51	0.97
Kuusilampi	114.9	0.23	0.26	0.02	0.02	0.13	0.12	0.53	0.61
Kolmisoppi	74.5	0.22	0.16	0.02	0.01	0.13	0.10	0.49	0.37
Measured + Indicated	452.7	0.24	1.08	0.02	0.09	0.13	0.61	0.52	2.34
Inferred	116.6	0.20	0.24	0.02	0.02	0.12	0.15	0.47	0.55
Kuusilampi	75.3	0.20	0.15	0.02	0.01	0.13	0.09	0.47	0.36
Kolmisoppi	41.3	0.20	0.08	0.02	0.01	0.12	0.05	0.47	0.19
Total	569.4	0.23	1.32	0.02	0.11	0.13	0.76	0.51	2.89

As a result of the newly identified increase in Mineral Resources, Talvivaara will re-evaluate its options for production expansion. Previous studies based on the Mineral Resource increase announced in December 2007 had indicated a production expansion to be permissible, and economically and technically feasible.

The information released referring to the Mineral Resources and Exploration results have been prepared by Talvivaara Mining Company Plc. The Competent Person, as defined by the JORC Code, responsible for the Mineral Resource estimate is Chief Geologist Jukka Pitkäjärvi, MAusIMM.

Production ramp-up

Mining works have proceeded according to plan and capacity is more than sufficient for present needs. Materials handling ramp-up is slightly behind schedule due to system design issues that are being overcome. Contractor crushing is being used November 2008 to March 2009 to support the ramp-up.

Bioheapleaching is proceeding as expected with heap temperatures and leach rates closely resembling those seen in the pilot heap. The process is consuming far less sulphuric acid than estimated.

On metals recovery, further small scale metal sulphide production runs are planned for December 2008 with the aim of testing equipment and improving product quality

Commercially significant production is expected in Q1 2009. Overall in 2009, Talvivaara is looking to produce 15,000-18,000 tonnes of nickel versus an approximate figure of some 20,000 tonnes of nickel initially budgeted. Production targets for 2010 and beyond remain unchanged.

Operational expenditure and capital expenditure

The 2009 estimated operational expenditure is back in line with the guidance given at the IPO as a result of decreasing raw material prices, in particular of the sulphur based products.

A moderate increase in capital expenditure has emerged in Q4 2008 due to: design and scope changes in the final stages of metals plant construction (piping); increased final invoicing of certain earth works contracts due to oil price escalations and increased cost of some earth works contracts due to worse than expected digging-to-excavation ratio. Certain works for the second line of the metals plant have also been carried out ahead of time during the autumn of 2008.

Certain remaining capital expenditure items have been rescheduled to 2010 in order to conserve cash in 2009. This will have no effect on planned production volumes.

Financing status

The USD 320 million project loan facility has been fully drawn down.

Cash from the EUR 85 million convertible bonds issued in May 2008 is conserved to cover 2009 working capital needs, with investment decisions on manganese production and autoclaves being deferred.

Estimated cash at year end approx EUR 90 million.

Environmental permit

Talvivaara's environmental and water regulation permit issued on 29 March 2007 became final and binding through a decision by the Supreme Administrative Court (SAC) of Finland published on 24 November 2008.

The SAC ruling rejected all the appeals and upheld the terms of the permit issued by the Northern Finland Environmental Permitting Agency, as amended by the Appeal Court of Vaasa (with no significant cost consequences).

Financial reporting schedule for 2009

Talvivaara will publish its Preliminary Results for 2008 on Wednesday, 4 March 2009.

The publication dates for the Interim Results and Interim Management Statements are the following:

- Interim Management Statement January-April 2009, Wednesday, 28 April 2009
- Interim Results January-June 2009, Monday 31 August 2009
- Interim Management Statement July-October 2009, Wednesday 28 October 2009.

Talvivaara's CEO, Pekka Perä comments:

"The announcement of the resource upgrade today is a proof of the huge exploration potential in the Talvivaara area. Our advanced technologies and expertise will allow us to exploit these assets efficiently and profitably in future years. For the time being Talvivaara continues to assess what this major increase in our resource base means for our future production targets.

"The decline in metals prices has caused us to make some adjustments to our investment plans, but this has not affected our expectation of reaching full scale production by early 2010."

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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 metal out of low grade 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 40 years after the now realized production start-up in October 2008. 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.