

Talvivaara Mining Company Plc
Stock Exchange Release 29 April 2008

Interim Management Statement for the period of 1 January – 28 April 2008

Talvivaara Group's main activity during the period was the construction of the Talvivaara nickel mine in Sotkamo, Finland. The project progressed according to plan both as regards its timetable and budget. Capital expenditure during the period of 1 January – 31 March 2008 amounted to €62 million. Total investment in the project through to 31 March 2008 amounted to €187 million.

Key events during the reporting period:

Connection to the Finnish national main grid

The 110 kV power line constructed from the Vuolijoki substation to the Talvivaara mine was connected to the Finnish national main grid on 18 January 2008. The 43 km power line was constructed and connected ahead of schedule. Talvivaara Project Ltd and Fingrid Oyj have entered into an agreement over Talvivaara's access to the main grid for the years 2008 - 2011.

Resolution by the Vaasa Court of Appeal on the environmental permit and starting order

The Vaasa Court of Appeal issued its ruling on the appeals made against the environmental permit and starting order on 15 February 2008. The Court of Appeal upheld the Company's original permit and the starting order, and rejected all demands for the revocation of the permit and the starting order. All compensations issued by the permitting authorities remained in force. The Court of Appeal made a few amendments and specifications to the terms of the permit, all of which in the opinion of the management are immaterial in terms of changes to the projected costs for, or the conduct of, the mining and metals recovery operations at the site.

The ruling was open to appeal to the Supreme Administrative Court until 17 March 2008. By the end of the appeal period, four appeals against the environmental permit and starting order had been made. It is expected that the Supreme Administrative Court will issue its ruling on the permit in the coming months, after which the environmental permit will be final and binding. Talvivaara does not anticipate that the terms of the permit will change materially as a result of the appeal process.

Annual General Meeting on 14 March 2008

The Annual General Meeting of Talvivaara Mining Company was held on 14 March 2008 in Sotkamo. The AGM approved the adoption of the Company's and the Group's annual accounts for the period ended 31 December 2007 and granted discharge of liability to the members of the Board and the Managing Director / CEO. It was determined that no dividend will be paid for the year ended 31 December 2007.

The AGM approved the Board of Directors' proposal to change the corporate form of the

Company from a private limited company to a public limited company. It was resolved that the new name of the Company is Talvivaara Mining Company Plc.

The AGM authorised the Board of Directors to issue up to a maximum of 11,495,000 shares through issuance of shares against consideration and/or special rights entitling to shares (including stock options) in one or more issues. The authorisation is valid until 13 March 2013. Should the Board of Directors utilize this authorisation in full, the number of the Company's shares issued and outstanding would increase from 222,896,178 to 234,391,178 shares.

Commencement of mining

Talvivaara Project Ltd had its first operational blast of ore on 1 April 2008. The first blast marked the beginning of the extraction of ore at the Talvivaara mine according to the project timetable.

Railroad project and rail transport

Talvivaara Infrastructure Oy and VR-Track Ltd signed an agreement on 31 January 2008 for the construction and maintenance of a 25 kilometre railroad connection between the Talvivaara mine and the national railroad network. The beginning of rail operation is anticipated in August 2009.

On 11 March 2008, Talvivaara Infrastructure Oy and the Finnish Rail Administration signed an agreement for the redemption of the Talvivaara railroad by the Finnish Rail Administration after two years of operation. Talvivaara Infrastructure Oy will be responsible for the maintenance of the railroad for this initial two-year period. Thereafter, the railroad will become part of the national rail network.

On 29 February 2008, Talvivaara Project Ltd and VR-Group Ltd signed a multi-year general and partnership agreement regarding the Talvivaara mine railroad transport. VR Cargo will be responsible for the railroad transport of raw materials and metal sulphides to and from the mine. When in full production, the required transportation capacity will reach an estimated 1.5 million tonnes annually.

Personnel and safety

Talvivaara Group's number of personnel increased from 64 at the start of the reporting period to 146 by the date of this statement. The growth in personnel stemmed primarily from the completion of several tailored training programmes for the Talvivaara mine and processing plant operators. Students who have successfully completed these training programmes are employed by Talvivaara. There are currently approximately 1,200 persons working daily at the site.

During 2008, there have been altogether six lost-time-injuries, none of them serious. The company will continue to place a special emphasis on safety issues at the site.

Short-term outlook

The Talvivaara mine project has progressed according to plan during the reporting period and the Company considers its next key milestones, being the start of stacking

and bioheapleaching in July and the start of metal sulphide production in October, to be realistic.

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Note: The information presented in this release is unaudited.

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 a minimum of 24 years and production is expected to start in late 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.