

Stock Exchange Release

25 January 2010

**Talvivaara Enters into Zinc in Concentrate Streaming Agreement with Nyrstar  
and Refinances Project Term Loan Facility**

Talvivaara Mining Company Plc is pleased to announce that its operating subsidiary Talvivaara Sotkamo Limited (collectively "Talvivaara" or the "Company") has entered into a long-term Zinc in Concentrate Streaming Agreement ("Agreement") with Nyrstar NV ("Nyrstar") (together, the "Parties") in line with the strategic guidance communicated at the Company's 2009 Capital Markets Day.

Under the terms of the agreement, Talvivaara will deliver all of its zinc in concentrate production to Nyrstar until a total of 1,250,000 metric tonnes has been delivered (equivalent to approximately 2 million tonnes of zinc concentrate at a grade of 65%). Based on Talvivaara's production plans, the Parties expect a ramp-up to approximately 90,000 tonnes per annum of zinc in concentrate by 2012, with deliveries occurring over a period of 10-15 years. Deliveries are expected to commence in February 2010.

Nyrstar will pay a purchase price of USD 335 million for the zinc stream. In addition, Nyrstar will pay Talvivaara an extraction and processing fee of EUR 350 per tonne of zinc in concentrate delivered (with escalators in relation to prices of elemental sulphur and propane). The Parties have also agreed the following price participation:

- until the later of the seventh anniversary of the agreement or delivery of 600,000 tonnes of zinc in concentrate, Nyrstar will pay to Talvivaara 10% of the LME zinc price exceeding USD 2,500 per tonne (up to USD 3,000 per tonne), and 30% of the LME zinc price exceeding USD 3,000 per tonne; and
- thereafter, Nyrstar will pay to Talvivaara 30% of the excess of the LME zinc price above the processing fee of EUR 350 per tonne of zinc in concentrate.

Nyrstar has also agreed to supply to Talvivaara up to 150,000 tonnes of sulphuric acid per annum for use in Talvivaara's leaching process during the period of supply of the zinc in concentrate.

The Agreement is subject to certain customary conditions, and completion is expected on or about 29 January 2010.

With the Agreement, Talvivaara has secured an attractive long-term arrangement for its zinc by-product production. The USD 335 million upfront payment enables Talvivaara to completely refinance the existing Project Term Loan Facility, providing for significantly enhanced strategic and financial flexibility, appropriate for the Company's risk profile following the successful commissioning and ramp-up of our operations. The extraction and processing fee, together with the price participation formula, provides Talvivaara with a stable and secure cash flow profile and protects the Company's attractive cash cost positioning.

In choosing to partner with Nyrstar, Talvivaara has achieved a mutually beneficial agreement for monetising the Company's zinc by-product, complementing the existing nickel and cobalt off-take agreement with Norilsk Nickel Harjavalta Oy. This transaction is a further endorsement of the Company's operations by an established industrial operator.

Talvivaara's CEO Pekka Perä commented:

*"I am delighted to announce a significant milestone in Talvivaara's history, allowing the Company to monetise our zinc by-product at attractive terms and to refinance the Project Term Loan Facility. This Agreement results in a materially enhanced capital structure for the Company, providing us greater flexibility and an outstanding platform from which to develop the Company further. I am truly pleased to announce our long term partnership with Nyrstar, and we appreciate their recognition of our operations."*

Talvivaara will host a conference call at 10:00 UK time/ 12:00 Finnish time on Monday 25 January 2010. Details to access the conference call are as follows:

UK Free Call: **0800 694 0257**

UK Standard International: **+44 (0) 1452 555 566**

USA Free Call: **1866 966 9439**

Finland Free Call: **0800 112 363**

Finland Local Call: **0923 114 173**

The conference ID is **53007193**

A replay facility will be available on the following numbers until 7 February 2010:

Replay Access Number: **53007193#**

International Dial in: **+44 (0) 1452 55 00 00**

UK Free Call Dial in: **0800 953 1533**

UK Local Dial in: **0845 245 5205**

USA Free Call Dial in: **1866 247 4222**

## **Replay facility available until 7 February 2010:**

Replay Access Number: **53007193#**

International Dial in: +44 (0) 1452 55 00 00

UK Free Call Dial In: 0800 953 1533

UK Local Dial In: 0845 245 5205

USA Free Call Dial In: 1866 247 4222

## **ENQUIRIES**

**Talvivaara Mining Company Plc** Tel: +358 20 712 9800

Pekka Perä, CEO

Saila Miettinen-Lähde, CFO

## **About Talvivaara Mining Company Plc**

Talvivaara is a Finnish mining company operating a large open pit nickel mine in Sotkamo, Finland. 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 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 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. Talvivaara is listed on the London Stock Exchange Main Market and Nasdaq OMX Helsinki and is included in the FTSE 250 Index. Further information can be found at [www.talvivaara.com](http://www.talvivaara.com).

## **About Nyrstar NV**

The partner of choice in essential resources for the development of a changing world. Nyrstar is a leading global multi-metals business, producing significant quantities of zinc and lead as well as other products (including silver, gold and copper). Nyrstar is listed on NYSE Euronext Brussels under the symbol NYR. For further information visit the Nyrstar website, [www.nyrstar.com](http://www.nyrstar.com).