

**A STATEMENT BY THE BOARD OF DIRECTORS ON THE EVENTS
OCCURRING AFTER THE INTERIM MANAGEMENT STATEMENT
RELEASED ON 28 APRIL 2009, HAVING AN ESSENTIAL EFFECT ON THE
STATE OF THE COMPANY**

The Board of Directors of the Company gives the following statement on the events of essential effect since the date of the release of the Interim Management Statement on 28 April 2009:

In the last month, the Company has made good progress with resolving the existing crushing problems through redesigning the crushing circuit. Whilst the performance of the existing circuit continues to be erratic, there has been improved performance of the secondary and tertiary crushing circuits, and new equipment has been ordered (including new secondary crushers and additional screens). In order to achieve a corresponding capacity increase also in the other parts of the materials handling function, a new agglomeration drum has been ordered and modifications to the stacking system are being implemented.

Following an approximately two week stoppage for installation planned in August, the redesign and additional crushing capacity is expected to increase the materials handling capacity from the current 15 million tonnes per annum to approximately 22 million tonnes per annum after a slow ramp to full capacity between September 2009 and January 2010. This should allow the Company to catch up on the crushing volumes by summer of 2010 as previously announced.

Although these short term crushing problems have affected the 2009 production targets, the Company's nickel production target for 2010 of 30,000 tonnes remains unchanged. The production target for 2012 reflects a ramp-up to an overall capacity of up to 50,000 tonnes of nickel per annum (capacity increase of 40-50 per cent), whilst production in 2011 is expected to be in excess of 40,000 tonnes.

Bioheapleaching is proceeding according to expectations with the amounts of leach solution available for metals recovery corresponding well to the present size and average age of the heap. Metals recovery has had promising results with quality of products already good and further improving through the most recent production campaign that was run in May 2009.

To accommodate the metals recovery process to the planned capacity increase, the Company will be making a few amendments in the metallurgical plant in the first half of 2010 as well as ordering a new hydrogen plant for commissioning in Q4 of 2010. In bioheapleaching, the Company intends to change the primary heap pad from dynamic to semi-dynamic by stacking a second layer on the heap starting during the summer of 2010 with first reclaiming in late 2011. It is expected that a further 45 or so employees will be taken on to meet the full expansion plans.

The Company anticipates its operating expenditure in 2009 to amount to approximately €90 million (excluding lease payments). The capital expenditure for the year is estimated at €85-95 million providing the expansion project is pursued.

By the date of this announcement, €30 million of the €50 million investment and working capital facility from Finnvera has been drawn down.

The Company is still expecting to ship nickel to Norilsk Nickel from August 2009 after the first 100 tonnes were shipped in February 2009. Nickel sulphide produced in the May production campaign will be invoiced in early June, although the products will only be delivered in August.

Espoo, 2 June 2009
Board of Directors

* * * * *