

A PROPOSAL BY THE BOARD OF DIRECTORS REGARDING A RESOLUTION ON THE ISSUE OF NEW SHARES FOR CONSIDERATION IN DEVIATION FROM THE PRE-EMPTIVE SUBSCRIPTION RIGHTS OF THE SHAREHOLDERS

The Board of Directors proposes that the extraordinary general meeting of Talvivaara Mining Company Plc, to be held on 6 July 2009 at 10:00 a.m. (Finnish time) at Scandic Marina Congress Center, Katajanokanlaituri 6, FI-00160 Helsinki, Finland, would, with the qualified majority of three-fourths set forth in Article 14 of the Articles of Association, approve the issue of up to 22,280,000 new ordinary shares for consideration, in deviation from the shareholders' pre-emptive subscription rights, to investors procured by Merrill Lynch International and Liberum Capital Limited or to Merrill Lynch International (the "Directed Issue").

In the Directed Issue, up to 22,280,000 new ordinary shares (the "Placing Shares") are to be offered for subscription for a subscription price of GBP 3.20 (EUR 3.70) per share. The proposed number of the Placing Shares represents approximately 10 per cent. of all the ordinary shares in the company. The subscription for the Placing Shares must be made by 8 July 2009 and in any event by 15 July 2009 at the latest.

The subscription price is based upon a placing agreement executed on 2 June 2009 between the company, Merrill Lynch International and Liberum Capital Limited (the "Placing Agreement"), and the subscription price has been determined on the basis of a book-building targeted at institutional investors. The subscription price must be paid in cash at the time of subscription. The subscription price paid for the Placing Shares subscribed for in the Directed Issue shall be recorded in the invested unrestricted equity fund of the company.

The Placing Agreement includes an undertaking whereby Merrill Lynch International agrees, to the extent that any of the investors procured by Merrill Lynch International or Liberum Capital Limited do not pay the subscription price in respect of the Placing Shares they have agreed to subscribe for, to subscribe for the Placing Shares in the Directed Issue at the subscription price of GBP 3.20 (EUR 3.70) per share. The Placing Agreement is subject to certain conditions, including the passing of the resolution concerning the Directed Issue by the extraordinary general meeting of the company. Merrill Lynch International and Liberum Capital Limited may terminate the Placing Agreement in certain circumstances set out in the Placing Agreement.

The proceeds from the Directed Issue are planned to be used for realising the company's strategic goals, in particular to expand and increase the capacity of the company's metals processing facility. The Directed Issue is a fast and cost-efficient manner to obtain equity. Therefore, there is a substantial financial reason for the company to deviate from the pre-emptive subscription rights of the shareholders of the company.

Espoo, Finland, on 2 June 2009

THE BOARD OF DIRECTORS