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## Talvivaara Mining announce H1 result

Friday, 28 Aug, 2009

Talvivaara Mining Company Plc announced its unaudited Interim Results for the three and six month periods ended June 30th 2009.

### Highlights

1. Decision to expand production capacity to up to 50,000 tonnes of nickel annually in 2012 was taken funded by a successful equity placing announced in June 2009
2. Talvivaara's crushing circuit is being upgraded to increase the crushing capacity to approximately 22 million tones per annum installation of the redesigned and expanded circuit is progressing as planned and on time for commissioning in the beginning of September 2009
3. Due to previously announced technical problems in materials handling, the crushing capacity of the old circuit remained substantially below budgeted levels throughout the period, primarily due to significant down time
4. Excluding crushing, all other processes were running as designed
5. Successful nickel and zinc sulphide production campaigns were run in January-February and April-May 2009 with subsequent deliveries to Norilsk Nickel Harjavalta Oy and zinc customers
6. Talvivaara obtained a secondary listing of its shares on the Helsinki Stock Exchange on May 11th 2009 which has increased liquidity of the shares and expanded the shareholder base substantially
7. Safety at the mine site remained good with three Lost Time Injuries to Talvivaara personnel during the period; there have been no LTI's to the Company's employees since the launch of the Work Group Safety Challenge at the beginning of February 2009
8. The number of employees at Talvivaara increased from 239 at the end of 2008 to 276 on 30 June 2009; recruitment will continue throughout the ramp-up period during the remainder of the year
9. Financial results for the six month period reflected the commencement of product deliveries to customers, but capacity was limited due to technical problems in crushing
10. Sales EUR 1.8 million
11. Other operating income mainly from currency and metal derivatives EUR 25.6 million
12. Operating loss EUR 7.9 million
13. EUR 45 million investment and working capital loan from Finnvera and
14. Equity placing of approximately 22.3 million shares with gross proceeds of EUR 82.7 million as announced in June and completed in July 2009

Mr Pekka Perä CEO of Talvivaara said that "I am delighted to be able to look back on a positive half year for Talvivaara as we progress towards full production. We have decided to accelerate our growth by increasing production capacity by almost 50% to up to 50,000 tonnes of nickel per annum from 2012. In the meantime, we are addressing the design problems experienced with our existing crushing circuit and anticipate the upgraded facilities to be commissioned and operational in September.

He added that "The past six months have seen our financial position strengthen and our shareholder base deepen and broaden through our successful EUR 82.7million equity placing in July and, respectively, our secondary listing on the Helsinki Stock Exchange in May. In conjunction with the hard work of our operational and managerial team, we are confident that these

developments put us in a position to achieve our production target of approximately 30,000 tonnes of nickel in 2010 and to continue growing Talvivaara into an internationally significant nickel producer."

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