

**Stock Exchange Release  
Talvivaara Mining Company Plc  
1 April 2014**

### **New agreement with Nyrstar to improve Talvivaara's financial position**

Talvivaara Mining Company Plc ("Talvivaara" or the "Company") announces that it and its operating subsidiary Talvivaara Sotkamo Ltd ("Talvivaara Sotkamo") have today entered into a loan and streaming holiday agreement ('the Agreement') with Nyrstar Sales and Marketing AG ("Nyrstar").

Nyrstar will make available to Talvivaara a loan facility up to a maximum amount of EUR 20 million. Nyrstar shall make the facility available in several tranches with the amount of each advance calculated with reference to a corresponding delivery by Talvivaara Sotkamo of zinc in concentrate under the zinc streaming agreement. Whilst the loan addresses Talvivaara's current financing needs and reduces the overall funding gap of the Company prior to reaching sustainable positive cash flow, the Agreement also demonstrates continued commitment by Nyrstar and Talvivaara to co-operation under the zinc streaming agreement.

In the short term, the Agreement enables the continuation of the Company and Talvivaara Sotkamo's corporate reorganization and the process, whereby Talvivaara explores the options of identifying potential investor(s) to participate in a long-term, overall financial solution for the group. With the available funds, Talvivaara also continues to focus on improving its water balance situation and reaching the sustainability targets of its operations.

Subject to Talvivaara securing the overall financial solution, the Company also has an option to enter into a streaming holiday for delivery volumes of up to 80,000 tonnes of zinc in concentrate. During the streaming holiday, Nyrstar commits, outside the framework of the original contract of February 2010, to purchase zinc concentrate from Talvivaara at market terms. In return, the value sharing mechanism of the original zinc streaming agreement will be amended to reduce on a pro rata basis such that, if the full holiday period is elected, the value sharing mechanism thereafter becomes nil. When applied, the value sharing mechanism allows Talvivaara to receive a cash consideration that is higher than the extraction and processing fee determined in the zinc streaming agreement.

Nyrstar's obligation to extend financing under the loan facility will cease at the earlier of the aggregate amount outstanding including accrued interest exceeding EUR 20 million or the commencement of a streaming holiday. The zinc concentrate deliveries entitling Talvivaara to the full loan amount are estimated to be made during the remainder of 2014.

Having entered into the Loan and Streaming Holiday Agreement, Talvivaara will immediately deliver Nyrstar approximately 10,000 tonnes of zinc in concentrate and receive the first loan advancement of approximately EUR 5 million.

The Administrator to Talvivaara and Talvivaara Sotkamo's corporate reorganisation processes supports the Agreement.

### **Enquiries**

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**Talvivaara Mining Company Plc**

Talvivaara Mining Company is an internationally significant base metals producer with its primary focus on nickel and zinc using a technology known as bioheap leaching to extract metals out of ore. Bioheap leaching 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 estimated to support anticipated production for several decades. Talvivaara has secured a 10-year off-take agreement for 100 per cent of its main output of nickel and cobalt to Norilsk Nickel and entered into a long-term zinc streaming agreement with Nyrstar. Talvivaara is listed on the London Stock Exchange Main Market and NASDAQ OMX Helsinki. Further information can be found at [www.talvivaara.com](http://www.talvivaara.com).