

Stock Exchange Release
Talvivaara Mining Company Plc
28 May 2014

Talvivaara Mining Company Interim Report for January-March 2014

Corporate reorganisation proceedings in progress Metals recovery plant and bioheapleaching in stable operation

Highlights of Q1 2014

- Nickel production of 3,068t and zinc production of 5,726t; best quarter since Q3 2012
- Net sales of EUR 29.0 million
- Operating loss of EUR (7.1) million
- New heaps leached well and provided most of the produced metals during the quarter; nickel grades in solution around 1.5g/l
- Metals plant in stable operation throughout the quarter
- Ore production remained suspended with re-start subject to securing additional financing

Highlights after the reporting period

- Loan and streaming holiday agreement with Nyrstar for an up to EUR 20 million loan facility and option to sell up to 80,000t of zinc to Nyrstar at market price for an additional significant financing impact
- Talvivaara Sotkamo was granted an environmental permit decision on 30 April 2014 relating to its whole operation and uranium recovery; however, operations continue under the old permit for the time being, as the new permit is not yet final and binding
- Bioheapleaching and metals recovery operations continue steadily; year-to-date metals production through 26 May amounted to 5,053t of nickel and 9,592t of zinc

Corporate reorganisation

- Reports by the Administrator on the financial status of Talvivaara Mining Company Plc ("Talvivaara" or the "Company") and Talvivaara Sotkamo completed on 14 April 2014 and conclude that executable restructuring programmes can be set up for both companies subject to financing solutions being achieved
- The District Court of Espoo granted on 21 May 2014 an extension to the deadlines for submitting the proposals for the respective reorganisation programmes of the Company and Talvivaara Sotkamo until 30 September 2014 as applied by the Administrator

Guidance for 2014

Talvivaara's operational outlook in 2014 remains subject to the success to completion, timing and extent of the financing transactions that are currently being negotiated. In the absence of a comprehensive financing solution and related operational plan for the time being, Talvivaara is not in a position to give guidance on its production or its operational and capital expenditure for the current year.

Key figures

EUR million	Q1 2014	Q4 2013	Q1 2013	FY 2013
Net sales	29.0	12.6	27.6	77.6
Operating loss	(7.1)	(628.7)	(20.0)	(701.8)
% of net sales	(24.4)%	(4,988.7)%	(72.4)%	(904.7)%
Loss for the period	(17.1)	(731.8)	(23.9)	(812.4)
Earnings per share, EUR	(0.01)	(0.43)	(0.09)	(0.48)
Equity-to-assets ratio	(49.9)%	(46.1)%	25.5%	(46.1)%
Net interest bearing debt	552.1	548.7	530.1	548.7
Debt-to-equity ratio	(181.3)%	(190.9)%	159.1%	(190.9)%
Capital expenditure	1.5	7.4	17.3	60.5
Cash and cash equivalents at the end of the period	1.1	5.9	68.7	5.9
Number of employees at the end of the period	516	549	583	549

All quarterly figures in this release are unaudited. Full year figures are audited.

CEO Pekka Perä comments: *“Our first quarter 2014 results reflect an operationally steady period with best nickel and zinc production since Q3 2012. Our new ore heaps, primary heaps 1 and 4, demonstrated very good leaching performance after having started to contribute to our metals production towards the end of 2013. Our metals recovery plant also performed uneventfully, which, together with the improvements in bioheapleaching, gives us confidence that our processes have come of age and can be operated in a reliable, industrial fashion.*

Our financial results continued to be impacted by the weak nickel price that persisted through most of the first quarter and the yet limited production volumes obtainable from the currently functioning two primary heaps, resulting in an operating loss of EUR 7.1 million. However, our cost profile compared to the year before confirmed substantial savings as a result of our on-going work towards better operational efficiency, and the write-downs recognized on our fixed assets at year-end 2013 resulted in a considerable reduction in depreciation. All-in-all, though, we cannot be content with the results achieved, but must strive for further improvements with the target of eventually being able to operate profitably also during the lows of the commodity cycles.

Over the recent months, the sentiment in the nickel market has turned for the positive with prices improving from around USD 14,000/t in January and USD 15,000-16,000/t in March to around USD 19,500/t currently. The main stimulus for the improvement has been the Indonesian ban on nickel ore exports, which came into effect in January and which has had a particularly strong impact on the nickel ore supply to China. The market outlook is now more positive than in the last few years with the nickel over-supply being foreseen to turn into a deficit possibly as early as this year.

We believe the good results in bioheapleaching over the last several months as well as the recent improvement in the nickel market are helpful in our on-going financing efforts. As the first funding step since the commencement of both Talvivaara Mining Company and Talvivaara Sotkamo's corporate reorganisations in late 2013, we entered into a loan and streaming holiday agreement with our zinc client Nyrstar in the beginning of April. This entitles us to an up to EUR 20 million loan, drawn down in stages in relation to zinc deliveries, and an option to sell up to 80,000t of zinc to Nyrstar at market prices, which would have an additional financing impact of more than EUR 50 million at current zinc prices. Further financing negotiations are now also progressing and we hope to be in a position to announce positive news on their completion in the coming months.

The most important short term use of funds for us would be the re-start of mining and materials handling operations, which have been suspended since November 2013. The new Nyrstar agreement and the improvement in nickel price have already given us the opportunity to start reclaiming of the poorly leached primary heaps on a trial basis, but more funding needs to be secured before we can commit to full scale reclaiming and the re-start of mining new ore.

In longer term, financing will also be needed for our environmental commitments, particularly those relating to water management. Following a relatively light spring melt, the current status of the water balance is reasonably good with ample emergency volume in all ponds and dams. However, planning of longer term solutions, including e.g. discharge of treated water to an alternative waterway and additional reverse osmosis capacity, continues and must be financed in due course.

Talvivaara Sotkamo was granted an environmental permit decision relating to its whole operation and uranium recovery by the Northern Finland Regional State Administrative Agency on 30 April 2014. We have since assessed the decision and will appeal against several parts of the decision, including amongst other things the method of assessment of the securities to be set as well as some other permit conditions which are deemed to be against the prevailing permitting practice. As the new permit decision will only be applicable when the appeal processes have been completed, Talvivaara will continue to operate under the previously obtained, existing permits for the time being and continue its work towards increasingly sustainable operations.”

Enquiries:

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Pekka Perä, CEO
Saila Miettinen-Lähde, Deputy CEO and CFO

Webcast and conference call on 28 May 2014 at 11:00am Finland (EET) / 9:00 am UK (GMT)

A combined webcast and conference call on the January-March 2014 Interim Result will be held on 28 May 2014 at 11:00am Finland (EET) / 9:00am UK (GMT). The call will be held in English.

The webcast can be accessed through: http://qsb.webcast.fi/t/talvivaara/talvivaara_2014_0528_q1/

A conference call facility will be available for a Q&A with senior management following the presentation.

Participant - Finland: +358 (0)9 2313 9201

Participant - UK: +44 (0)20 7162 0077

Participant - US: +1 334 323 6201

Conference ID: 945070

The webcast will also be available for viewing on the Talvivaara website shortly after the event.

Financial review**Q1 2014 (January-March)**Net sales and financial result

Talvivaara's net sales for nickel and cobalt deliveries to Norilsk Nickel during the quarter ended 31 March 2014 amounted to EUR 29.0 million (Q1 2013: EUR 27.6 million). No zinc deliveries to Nyrstar Sales and Marketing AG under the zinc streaming agreement were made. Compared to Q4 2013, net sales increased by 130% due to increased nickel product deliveries enabled by stable production throughout the quarter. Nickel prices remained depressed at around USD 14,000/t for most of the quarter, hence the sharp increase in nickel price seen towards the end of Q1 2014 and thereafter did not yet have a material impact on the first quarter revenues and financial results. Product deliveries in Q1 2014 amounted to 3,107t of nickel and 63t of cobalt (Q1 2013: 2,746t of nickel, 2,217t of zinc, 88t of cobalt).

The Group's other operating income amounted to EUR 0.5 million (Q1 2013: EUR 0.7 million) and mainly resulted sales of trees.

Changes in inventories of finished goods and work in progress amounted to EUR (1.2) million (Q1 2013: EUR 7.3 million). Due to the temporary suspension of mining and materials handling operations, no new ore was stacked on leaching heaps during Q1 2014. The change in work in progress therefore primarily reflected the removal of metals from the existing heaps as a result of metal sulphide production.

Personnel expenses were EUR (6.2) million in Q1 2014 (Q1 2013: EUR (7.3) million). The decrease in the personnel expenses compared to the year before reflects a decrease in the number of employees as well as the lay-offs implemented subsequent to the conclusion of the Group's co-operation consultations on 7 January 2014.

Operating loss for Q1 2014 was EUR (7.1) million (Q1 2013: EUR (20.0) million). Materials and services were EUR (14.9) million in Q1 2014 (Q1 2013: EUR (22.6) million) and other operating expenses were EUR (8.4)

million (Q1 2013: EUR (12.6) million). Metals production in Q1 2014 was higher than that the year before, yet a substantial reduction in costs was seen. This reflects the savings and improved operating efficiency in metals recovery realized through the Company's Turnaround project in 2013. Mining and materials handling were suspended throughout Q1 2014 as well as the first quarter of the year before with the exception of reclaiming, which was operational in January 2013. Depreciation decreased from EUR (12.6) million in Q1 2013 to EUR (8.4) million in Q1 2014 as a result of the impairment charges on property, plant and equipment recognised at the end of 2013. The reduction in depreciation is, however, not directly proportional to the impairment charge, as depreciations on leased equipment continued unaffected.

Finance income for Q1 2014 was EUR 0.2 million (Q1 2013: EUR 0.3 million). Finance costs of EUR (10.2) million (Q1 2013: EUR (12.1) million) were mainly related to interest accrued on borrowings. However, due to the ongoing corporate reorganisation proceedings of the Company and Talvivaara Sotkamo, no interest payments on borrowings, with the exception of leasing arrangements, were made. The eventual treatment of interests and repayment of restructuring debt will be decided as a part of the reorganisation programmes, the proposals for which are due to be submitted by 30 September 2014.

Loss for the period and the total comprehensive income amounted to EUR (17.1) million (Q1 2013: EUR (23.9) million). Earnings per share were EUR (0.01) in Q1 2014 (Q1 2013: EUR (0.09)).

Balance sheet

Capital expenditure in Q1 2014 totalled EUR 1.5 million (Q1 2013: EUR 17.3 million). The expenditure primarily related to water management. On the consolidated statement of financial position as at 31 March 2014, property, plant and equipment totalled EUR 300.5 million (31 December 2013: EUR 305.0 million), reflecting the EUR 499.3 million impairment charge recognized at year-end 2013.

In the Group's assets, inventories amounted to EUR 259.9 million on 31 March 2014 (31 December 2013: EUR 261.5 million). At year-end 2013, an impairment charge of EUR 93.7 million was recognized on the inventory. Subsequently, the decrease in inventory in Q1 2014 reflects metals production from the heaps while no new ore was added to the inventory due to the temporary suspension of ore production.

Trade receivables amounted to EUR 16.3 million on 31 March 2014 (31 December 2013: EUR 10.4 million). The increase compared to the year before was attributable to the discontinuation of the sale of receivables and higher amount of product deliveries. Nickel price was, however, lower than in Q1 2013, which on the other hand had a decreasing impact on the receivables.

On 31 March 2014, cash and cash equivalents totalled EUR 1.1 million (31 December 2013: EUR 5.9 million).

In equity and liabilities, total equity amounted to EUR (304.6) million on 31 March 2014 (31 December 2013: EUR (287.5) million).

Provisions decreased from EUR 13.3 million on 31 December 2013 to EUR 10.9 million at the end of March 2014, reflecting costs related to water management and the gypsum pond leakage of November 2012, and the corresponding de-recognition of provisions. The incurred costs came from the treatment of excess waters with limestone and milk of lime.

Borrowings decreased from EUR 554.6 million on 31 December 2013 to EUR 553.1 million at the end of March 2014. The changes in borrowings during Q1 2014 mainly related to finance lease liabilities. Most of the Group's other debts are restructuring debts, the payment terms of which, including repayment amounts, interests and repayment schedules, will be decided as part of the Company and Talvivaara Sotkamo's reorganisation programmes. Proposals for the reorganisation programmes are due to be submitted by the Administrator by 30 September 2014.

Total advance payments as at 31 March 2014 amounted to EUR 286.1 million, which is the same value as at 31 December 2013, as no zinc deliveries to Nyrstar took place during the quarter.

Total equity and liabilities as at 31 March 2014 amounted to EUR 610.7 million (31 December 2013: EUR 623.3 million).

Going concern

Talvivaara's interim results for the first quarter of 2014 have been prepared on a going concern basis, which assumes that the Company will be able to realise its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company is working together with the Administrator towards finding appropriate financing solutions for the Group going forward. On 1 April 2014, Talvivaara entered into a loan and streaming holiday agreement with Nyrstar Sales and Marketing AG ("Nyrstar") for a loan facility of up to EUR 20 million and an arrangement whereby, subject to Talvivaara securing a long-term financial solution, the Group 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 between the parties, to purchase zinc concentrate from Talvivaara at market terms for an additional financing impact of more than EUR 50 million at current market prices for zinc.

The agreement with Nyrstar, together with the recent positive development in nickel price, have provided Talvivaara with sufficient liquidity to continue the corporate reorganisation and its operations in the short term. To secure the Group's long term viability, Talvivaara also explores the options of identifying potential investor(s) to participate in a medium term bridge financing and/or a long-term, overall financial solution for the Group.

As of the date of the announcement of the Company's Q1 2014 interim results, the Directors, Management and the Administrator do not contemplate the liquidation of the Company or Talvivaara Sotkamo. As such, Directors and Management believe that the going concern basis of presentation is appropriate regardless of the on-going financing discussions and commencement of the reorganisation proceedings. However, the Company's liquidity situation continues to cause material uncertainty that casts significant doubt upon the Company and Talvivaara Sotkamo's ability to continue as a going concern and that, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Should the going concern basis prove inappropriate in the foreseeable future, adjustments to the carrying amounts and/or classifications of Talvivaara's assets and liabilities would be necessary.

The Group's ability to continue as a going concern is dependent on the successful completion of the contemplated financing transactions as well as the development and authorisation of executable restructuring programmes for both the Company and Talvivaara Sotkamo. Furthermore, Talvivaara's future profitability is dependent on the prevailing market conditions and the Group's ability to successfully implement its business plan at the Talvivaara mine. At the time of the Company's Q1 2014 interim results on 28 May 2014, it is not possible to foresee whether Talvivaara will be able to execute its financing, reorganisation and operational plans or whether the execution of these will improve the Group's financial condition sufficiently to allow it to continue as a going concern.

The corporate reorganisation plans to be authorised by the District Court of Espoo could materially change the carrying amounts and classifications reported in the Group's financial statements. The assets and liabilities in the Company's Q1 2014 interim results do not reflect any adjustments potentially proposed or authorised as part of such reorganisation plans. Furthermore, the interim results do not aim to reflect or provide for the consequences of the corporate reorganisation proceedings, such as: (i) the realisable value of the Group's assets on a liquidation basis or their availability to satisfy liabilities, (ii) the amounts of loans and debts subject to reorganisation and priority thereof, (iii) or the effect on the Group's consolidated income statement of any changes potentially made to its business as a result of the final corporate reorganisation plan. However, in view of the inherent uncertainty brought about by the corporate reorganization proceedings, operational challenges caused by and partly continuing as a result of water balance issues, and the weak nickel price environment that prevailed for most of 2013 and into early 2014, the Group has made substantial impairment charges in its FY 2013 financial statements related to its tangible assets, inventories and deferred tax assets. Further, the challenging liquidity position and the commencement of the corporate reorganisation proceedings for the Company and Talvivaara Sotkamo have resulted in breach of covenants and default events in accordance with the respective terms and conditions of the companies' loan agreements resulting in adjustments to the carrying values and classifications of such loans.

Progress of corporate reorganisation

Upon deciding to commence the reorganisation proceedings of the Company and Talvivaara Sotkamo on 29 November 2013 and 17 December 2013, respectively, the District Court of Espoo, Finland, appointed Mr.

Pekka Jaatinen, Attorney-at-Law, from Castrèn & Snellman Attorneys Ltd. to act as the Administrator for both processes.

On 17 January 2014, the District Court of Espoo issued a ruling in respect of certain deadlines in connection with the Company and Talvivaara Sotkamo's respective corporate reorganisations. According to the Court's ruling, reports on the financial status of both companies were to be completed by 28 March 2014, and proposals for their respective reorganisation were to be submitted by the Administrator by 28 May 2014. However, the District Court has since amended these deadlines such that the reports on the financial status of the companies were completed on 14 April 2014, and the new deadline for the submission of the reorganisation proposals is 30 September 2014.

The District Court has also appointed creditor committees, which will act as the joint representatives of the creditors in the reorganisation proceedings of both companies. Various creditor groups, including secured creditors, other debt financiers, as well as business partners and subcontractors essential for the operations of both companies, are represented in the creditor committees. The creditor committees of the Company and Talvivaara Sotkamo have the same composition.

Production review

Talvivaara produced 3,068t (Q1 2013: 2,732t) of nickel and 5,726t (Q1 2013: 3,128t) of zinc during Q1 2014. Metals production was stable with good leaching performance from the two new heaps and high availability of the metals plant. Mining and materials handling processes have been suspended since November 2013. Subject to financing, re-start of these functions is planned to take place in stages during the coming summer and autumn.

As a result of the improved grades in leach solution from the new primary heaps 1 and 4, the nickel grade in solution pumped to the metals plant rose from around 1.0g/l at the end of 2013 to 1.5-1.6g/l in February, allowing 45-55t of nickel production on a daily basis at solution flow rates of around 1,400 m³/h through the metals plant.

The old primary heaps 2 and 3 continued to suffer from the effects of excess water and remained largely inactive. Consequently the decision was taken to cease acid addition to these heaps until they are reclaimed and re-stacked on the secondary leaching area.

The cost efficiency of production at the metals plant improved significantly as a result of the higher metal grades in solution as well as the substantially higher temperature of the leach solution compared to the winter of 2013. The increased solution temperature, around 20°C this winter vs. 6°C the year before, reflects the high level of chemical and biological activity in the new primary heaps 1 and 4.

The steady production over the recent months demonstrates that the technologies applied by Talvivaara are functional and have matured to a stage where they can be considered reliable industrial processes.

Production key figures

		Q1 2014	Q4 2013	Q1 2013	FY 2013
Mining					
Ore production	Mt	-	1.6	-	7.4
Waste production	Mt	-	0.9	-	3.1
Materials handling					
Stacked ore	Mt	-	1.7	-	7.6
Bioheapleaching					
Ore under leaching	Mt	51.8	51.8	44.3	51.8
Metals recovery					
Nickel metal content	Tonnes	3,068	1,559	2,732	8,662
Zinc metal content	Tonnes	5,726	4,179	3,128	17,418

Sustainable development, safety and permitting

Safety

With respect to safety issues, Talvivaara's goal is a safe and healthy working environment, and the Company continued to develop its safety culture based on zero accident philosophy.

At the end of the first quarter, the injury frequency among the Talvivaara personnel was 34.9 lost time injuries/million working hours on a rolling 12 month basis (31 March 2013: 15.7 lost time injuries/million working hours).

Environment

Talvivaara continues to focus on minimising the environmental impact of its operations. Current primary focus is on water balance management and purification and discharge of excess waters from the mine site.

During the first quarter of 2014, significant effort was made to ascertain sufficient emergency volumes in ponds and dams ahead of the spring melt and in case of any leakages. Particular focus was on the Kortelampi dam, from where water was treated and released directly to the southern Vuoksi waterways as well as through the Tammalampi water treatment unit to the northern Oulujoki water system. Removal of excess water from the gypsum ponds also continued with the target of having all excess water removed by the end of August 2014 (see also *Permitting*).

Hydrogen sulphide (odour) emissions have been largely addressed. Odour complaints from nearby residents reduced further from five in Q1 2013 to three in Q1 2014. Notices of noise increased, however, from one to seven as a result of an increased number of blowers used for the aeration of leaching heaps.

Talvivaara continues to place significant emphasis on timely and transparent communication on environmental matters with the neighbouring communities and other interested stakeholders. During the first quarter, a new text message service targeted for nearby neighbours was implemented. Furthermore, the Company's first ever Twitter question and answer session with Talvivaara's sustainability experts was successfully held.

Permitting

At the end of May 2013, Talvivaara received from the Northern Finland Regional State Administrative Agency ("AVI") an environmental permit decision relating to the storage, treatment and discharge of waters to the Oulujoki and Vuoksi water systems. Among other regulations, the decision required the Company to direct the water contained in the existing gypsum ponds to neutralisation or back to leach solution circulation by 31 October 2013. The Vaasa Administrative Court subsequently extended the deadline until the end of 2013. After this, the Company applied for and obtained permission from the AVI for a two-staged emptying schedule such that section 5 of the gypsum pond should be void of excess water by the end of January 2014, and section 6 by the end of August 2014. Prior to the end of January, Talvivaara notified the Kainuu Centre for Economic Development, Transport and the Environment ("Kainuu ELY-Centre") of its inability to comply with the interim deadline of January, however stating that the Company believes the final emptying deadline for the entire pond to be achievable. After this, the Kainuu ELY-Centre has requested section 5 of the gypsum pond to be emptied of excess water and sufficient emergency volume to be arranged in the Kortelampi dam for all waters contained in the gypsum pond by 1 April 2014. Talvivaara noted, in turn, to the ELY-Centre that the requested timetable was not technically feasible and that a realistic deadline would rather be 15 May 2014.

Subsequently the Kainuu ELY-Centre gave a ruling on 25 April 2014 stating that, under a threat of a fine, Talvivaara would have to reduce the amount of water in gypsum pond section 6 to below 500,000 cubic metres by 15 May 2014. As at 7 May 2014, the amount of water in the pond was measured to be approximately 407,000 cubic metres and in compliance with the requirement. Gypsum pond section 5 had been emptied of excess water already in April. On 15 May 2014, Kainuu ELY-Centre confirmed the removal of the threat of a fine.

On 5 December 2013 the Supreme Administrative Court returned the permit to extract uranium granted to Talvivaara Sotkamo under the Nuclear Energy Act on 1 March 2012 for reassessment by the Finnish Government. According to the Supreme Administrative Court there had been several changes in the operations of Talvivaara Sotkamo following the permit decision, including the filing for corporate reorganization. Therefore, the Government should reassess the permit application documentation and, if needed, obtain additional

information on the economical and safety related requirements. During the first quarter of 2014, preliminary discussions with the Ministry of Employment and the Economy were held to prepare for the re-application.

Business development and commercial arrangements

Participation in Fennovoima nuclear power project

Talvivaara announced on 21 February 2014 its support for the Fennovoima nuclear power project, but noted that under the current circumstances the Company focuses all its financial resources on the Sotkamo operation and the ongoing corporate reorganisation process. For the time being Talvivaara is not in a position to commit to additional funding of the Fennovoima project, but will reassess its ability for further participation once more clarity into its financing situation is obtained and the corporate reorganisation process proceeds.

Risk management and key risks

In line with current corporate governance guidelines on risk management, Talvivaara carries out an on-going process endorsed by the Board of Directors to identify risks, measure their impact against certain assumptions and implement the necessary proactive steps to manage these risks. During 2013, the Company's focus was on developing its hazardous risk management and contingency planning. As a result, a new risk register for environmental, safety and accident risks was introduced. Contingency planning focused primarily on hazard risks such power failure and dam or pond leakages.

Talvivaara's operations are affected by various risks common to the mining industry, such as risks relating to the development of Talvivaara's mineral deposits, estimates of reserves and resources, infrastructure risks, and volatility of commodity prices. There are also risks related to counterparties, currency exchange ratios, management and control systems, historical losses and uncertainties about the future profitability of Talvivaara, dependence on key personnel, effect of laws, governmental regulations and related costs, environmental hazards, and risks related to Talvivaara's mining concessions and permits.

Liquidity and refinancing risks may arise as a result of the Company's inability to produce sufficient volumes of its saleable products, particularly nickel, unexpected increase in production costs, and sudden or substantial changes in the prices of commodities or currency exchange rates. In the second half of 2013, the liquidity and refinancing risks realized as a result of persistent production problems relating to excess water, and due to a substantial fall in the nickel price. As a result, Talvivaara and its operating subsidiary Talvivaara Sotkamo were unable to obtain new financing and applied for corporate reorganisation, which for the two companies commenced on 29 November 2013 and 17 December 2013, respectively. Going forward, Talvivaara's key financial and operational risks relate to the on-going corporate reorganisation proceedings and Talvivaara's ability to obtain sufficient additional funding to continue its operations and to return to the planned ramp-up of production.

Operationally, the Company has to date demonstrated that all of its production processes work and can be operated on industrial scale, however the rate of ramp-up is still subject to risk factors including the reliability and sustainable capacity of production equipment, and eventual speed of leaching and rates of metals recovery in bioheapleaching. In addition, the return to production ramp-up remains subject to further financing for the time being and there may also be production and ramp-up related risks that are currently unknown or beyond the Company's control.

The market price of nickel has historically been volatile and in the Company's view this is likely to persist, driven by shifts in the supply-demand balance, macroeconomic indicators and variations in currency exchange ratios. Nickel sales currently represent close to 90% of the Company's revenues and variations in the nickel price therefore have a direct and significant effect on Talvivaara's financial result and economic viability. Talvivaara is, since February 2010, unhedged against variations in metal prices. Full or substantially full exposure to nickel prices is in line with Talvivaara's strategy and supported by the Company's view that it can operate the Talvivaara mine, once it has been fully ramped up, profitably also during the lows of commodity price cycles.

Talvivaara's revenues are almost entirely in US dollars, whilst the majority of the Company's costs are incurred in Euro. Potential strengthening of the Euro against the US dollar could thus have a material adverse effect on the business and financial condition of the Company. Talvivaara hedges its exposure to the US dollar on a case by case basis with the aim of limiting the adverse effects of US dollar weakness as considered justified from time to time.

Personnel and management

Wages and salaries

The number of personnel employed by the Group on 31 March 2014 was 516 (Q1 2013: 583).

Wages and salaries paid during the three months to 31 March 2014 totalled EUR 5.1 million (Q1 2013: EUR 4.2 million).

Conclusion of co-operation consultations

Talvivaara concluded its co-operation consultations on 7 January 2014. All personnel groups in the Company and its subsidiaries Talvivaara Sotkamo and Talvivaara Exploration were within the scope of the consultations. Following the consultation process, Talvivaara decided to gradually lay off 246 employees for an indefinite period. The lay-offs support the Company and Talvivaara Sotkamo's corporate reorganisation and adjust the number of personnel to the current operating scheme under which ore production is temporarily suspended.

As at 31 March 2014, 97 employees were laid off, which is less than anticipated when the co-operation consultations were concluded due to previously subcontracted work having been taken in-house and done by the Group's own workforce.

Management changes

Lassi Lammassaari, M.Sc. (Environmental Engineering) was appointed Chief Corporate Development Officer as of 27 February 2014. He leads a newly established Corporate Development function, which focuses on industrial engineering, planning and development. Lassi Lammassaari has held several positions at Talvivaara since 2005, most lately as Senior Vice President – Projects. In his new position he is a member of the Executive Committee and reports to CEO Pekka Perä.

Chief Operating Officer Darin Cooper resigned from his position on 7 March 2014 to pursue his career outside the Company. Chief Technology Officer Pertti Pekkala subsequently assumed interim responsibility for the Sotkamo mine's operations until a new COO is appointed. In addition, the Company's Technical Executive Committee, consisting of CEO Pekka Perä, Chief Corporate Development Officer Lassi Lammassaari, CTO Pertti Pekkala and Environmental Manager Veli-Matti Hilla as a newly appointed member, takes an increasingly active role in the management of the operations at the Sotkamo mine.

Non-Executive Director Kirsi Sormunen announced her resignation from the Company's Board of Directors due to personal reasons on 7 March 2014.

Shares and shareholders

The number of shares issued and outstanding and registered on the Euroclear Shareholder Register as of 31 March 2014 was 1,906,167,480. Including the effect of the EUR 225 million convertible bond of 16 December 2010 and the stock options of 2007 and 2011, the authorised full number of shares of the Company amounted to 2,041,901,379.

After the adjustments to the terms and conditions of the 2007 stock options in April 2013 as a consequence of the Company's rights issue, a total of 16,289,000 option rights 2007C have been issued to employees and the subscription period for stock options 2007C was between 1 April 2012 and 31 March 2014. No new shares of Talvivaara were subscribed for under the stock option rights 2007C between 1 January and 31 March 2014. A total of 16,289,000 stock option rights 2007C remained unexercised following the end of the subscription period and expired.

Of the stock options of 2011, option rights 2011A and 2011B have expired due to the agreed implementation criteria having not been met. Option rights 2011C have not been allocated.

As at 31 March 2014, the shareholders who held more than 5% of the shares and votes of Talvivaara were Solidium Oy (16.7%) and Pekka Perä (6.5%).

Legal proceedings

On 19 March 2014, the Kainuu ELY Centre issued an administrative injunction, requesting Talvivaara Sotkamo to carry on the neutralization of metal and sulphate containing waters at the site under all circumstances. Further, the ELY Centre requested Talvivaara Sotkamo to immediately continue and complete negotiations on the supply of additional water purification capacity at the site, as well as on the construction of new pond capacity for purified waters. Should Talvivaara Sotkamo fail to comply with the request, the Kainuu ELY Centre may consider having the investments completed at the cost of Talvivaara Sotkamo. In addition, the Kainuu ELY Centre required that the weekly utilization rate of Talvivaara Sotkamo's existing reverse osmosis plants must stay on or above 60 per cent, failing which could give rise to an administrative penalty of EUR 100,000. Talvivaara Sotkamo has appealed the injunction to Vaasa Administrative Court.

Kainuu ELY Centre prohibited on 5 March 2014 Talvivaara Sotkamo to discharge raffinate or secondary leach solution into the open pit and issued a threat of an administrative penalty of 150,000 euros to enforce its decision. Due to the improved water balance situation Talvivaara Sotkamo no longer has any need to discharge untreated solutions into the open pit.

In addition, as at the date of these interim results, there are a number of on-going legal proceedings and police investigations in relation to Talvivaara's mining, environmental and occupational health and safety issues. In addition, Talvivaara is subject to, or may become subject to, private claims seeking compensation for damages caused by environmental issues originating from the Talvivaara mine, although Talvivaara currently believes that such claims are not material. The current legal proceedings are further discussed in the Company's financial statements for 2013.

Events after the review period

Loan and streaming holiday agreement with Nyrstar

On 1 April 2014, the Company and Talvivaara Sotkamo entered into a loan and streaming holiday agreement ('the Agreement') with Nyrstar Sales and Marketing AG ("Nyrstar"). Under the Agreement, Nyrstar makes available to Talvivaara a loan facility of up to EUR 20 million. Nyrstar makes 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 original zinc streaming agreement of February 2010.

In the short term, the Agreement enables the continuation of the Company and Talvivaara Sotkamo's corporate reorganisation 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.

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, to purchase zinc concentrate from Talvivaara at market terms. The streaming holiday, if used in full, has an over EUR 50 million additional financing impact for the Company at current zinc prices.

In return for the holiday, 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 for its deliveries 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. As at the date of these interim results, Talvivaara has drawn down EUR 6.7 million of the Nyrstar loan facility.

Corporate reorganisation

The reports on the financial status of the Company and Talvivaara Sotkamo were completed by the Administrator of the corporate reorganisation on 14 April 2014. According to the Administrator, an executable restructuring programme can be set up for both companies, provided that financing solutions for an interim period and for the longer term are achieved.

On 21 May 2014 the District Court of Espoo granted an extension to the deadlines for submitting the proposals for the respective reorganisation programmes of the Company Talvivaara Sotkamo until 30 September 2014. According to the prior District Court ruling, the proposals for the reorganisation programmes were to be submitted by 28 May 2014.

The Administrator and Talvivaara are engaged in discussions with potential financing and industrial partners for a long-term financing solution for the Talvivaara Group. Certain industrial and financial arrangements for the continuation of operations of the Company and Talvivaara Sotkamo have already been reached so that the restructuring programmes can be set up. The extension was applied for as submission of the restructuring programme proposals is not considered feasible until sufficient long-term financing has been secured.

Environmental permit decision

Talvivaara Sotkamo was granted an environmental permit decision relating to its whole operation and uranium recovery by the Northern Finland Regional State Administrative Agency on 30 April 2014. Talvivaara has assessed the decision and will appeal against several parts of the decision, including amongst other things the method of assessment of the securities to be set as well as some other permit conditions which are deemed to be against the prevailing permitting practice. The permit decision will only be applicable when the appeal processes have been completed and Talvivaara will operate under the previously obtained, existing permits until the new permit is final.

Production update

Talvivaara's year-to-date production through 26 May 2014 has reached 5,053t of nickel and 9,592t of zinc. Metals production has continued stable with good leaching performance from the two new heaps and high availability of the metals plant. However, during the second quarter, nickel grade in leach solution has declined slightly to a level of 1.2-1.3g/l due to continued heavy depletion from the two new heaps.

Mining and materials handling processes have been suspended since November 2013. Since mid-May 2014, preparatory work has been undertaken to re-commence reclaiming of old primary heaps, and as at the date of these interim results, reclaiming is ongoing on a trial basis. However, more funding needs to be secured before commitment to full scale reclaiming can be made or the mining of new ore re-started.

Short-term outlook

Market outlook

The LME nickel price has shown an approximately 40% recovery since the implementation of the Indonesian nickel ore export ban in January 2014, moving from levels below USD 14,000/t to around USD 19,500/t currently. The surplus in nickel production that has been prevailing over the last few years is now expected to turn into a deficit possibly as early as this year, which further underpins the recent price development and may offer additional upside potential going forward. Provided the Indonesian ore export ban stays in force, the nickel price can be anticipated to start reflecting also the increasing marginal cost of production across the nickel industry and lack of new committed nickel projects to replace depleting supply from the existing operations.

Operational outlook

The operational outlook for Talvivaara is greatly dependent on the success to closing, timing and extent of the short as well longer term financing solutions currently under negotiation. The key operational priority of the Company has been to start reclaiming old primary heaps 2 and 3 as soon as possible, preferably during Q2 2014. Moving these heaps to the secondary pad will allow the so far poorly leached ore to be reconditioned and leaching to be restarted. There is significant unleached nickel in these two heaps, which will improve production in the coming months prior to leaching from any newly mined and stacked ore can start contributing to production. The recent increase in nickel price and the loan agreement with Nyrstar have allowed Talvivaara to

re-start reclaiming on a trial basis during the latter half of May. However, further funding will need to be secured before commitment to full scale reclaiming can be made. Similarly subject to financing, the Company plans to re-start mining of new ore during the summer or early autumn.

Talvivaara believes the pre-requisites for continued production ramp-up are in place with substantial improvements having been made over the recent months in bioheap leaching, as well as in mining and materials handling prior to their suspension in November 2013. Furthermore, the metals plant is currently operating uneventfully.

28 May 2014

Talvivaara Mining Company Plc.
Board of Directors

CONSOLIDATED INCOME STATEMENT

(Applications for corporate reorganisation proceeding filed on 15 Nov 2013)

(all amounts in EUR '000)	Unaudited three months to 31 March 2014	Unaudited three months to 31 March 2013	Audited twelve months to 31 Dec 13
Net sales	29,014	27,605	77,572
Other operating income	547	729	1,864
Changes in inventories of finished goods and work in progress	(1,185)	7,288	53,651
Impairment charges on inventories	-	-	(93,685)
Materials and services	(14,896)	(22,614)	(95,593)
Personnel expenses	(6,188)	(7,285)	(30,879)
Depreciation and amortization	(6,032)	(13,099)	(53,197)
Impairment charges on PPE	-	-	(499,300)
Other operating expenses	(8,353)	(12,612)	(62,234)
Operating loss	(7,092)	(19,988)	(701,801)
Finance income	169	339	901
Finance cost	(10,195)	(12,080)	(57,143)
Finance income (cost) (net)	(10,026)	(11,741)	(56,242)
Loss before income tax	(17,118)	(31,729)	(758,043)
Income tax expense	-	7,797	(54,434)
Loss for the period	(17,118)	(23,932)	(812,477)
Attributable to:			
Owners of the parent	(14,570)	(21,005)	(680,920)
Non-controlling interest	(2,549)	(2,927)	(131,557)
	(17,118)	(23,932)	(812,477)
Earnings per share for profit (loss) attributable to the owners of the parent (expressed in EUR per share)			
Basic and diluted	(0.01)	(0.07)	(0.48)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Applications for corporate reorganisation proceeding filed on 15 Nov 2013)

(all amounts in EUR '000)	Unaudited three months to 31 March 2014	Unaudited three months to 31 March 2013	Audited twelve months to 31 Dec 13
Loss for the period	(17,118)	(23,932)	(812,477)
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	(17,118)	(23,932)	(812,477)
Attributable to:			
Owners of the parent	(14,570)	(21,005)	(680,920)
Non-controlling interest	(2,549)	(2,927)	(131,557)
	(17,118)	(23,932)	(812,477)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Applications for corporate reorganisation proceeding filed on 15 Nov 2013)

(all amounts in EUR '000)	Unaudited 31 Mar 14	Audited 31 Dec 13
ASSETS		
Non-current assets		
Property, plant and equipment	300,485	304,956
Biological assets	6,488	6,641
Intangible assets	6,520	6,582
Investments in associates	6,968	6,968
Other receivables	8,267	8,412
Available-for-sale financial assets	2	2
	328,729	333,560
Current assets		
Inventories	259,816	261,451
Trade receivables	16,327	10,389
Other receivables	4,723	12,047
Cash and cash equivalent	1,070	5,867
	281,937	289,754
Total assets	610,666	623,314
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	80	80
Share premium	8,086	8,086
Other reserves	764,626	764,603
Retained deficit	(940,423)	(925,854)
	(167,631)	(153,085)
Non-controlling interest in equity	(136,927)	(134,378)
Total equity	(304,558)	(287,463)
Non-current liabilities		
Borrowings	15,264	30,592
Advance payments	270,641	270,641
Other payables	11	270
Provisions	10,891	10,785
	296,807	312,288
Current liabilities		
Borrowings	537,875	524,011
Advance payments	15,456	15,456
Trade payables	32,376	37,426
Other payables	32,710	19,065
Provisions	-	2,531
	618,418	598,489
Total liabilities	915,224	910,777
Total equity and liabilities	610,666	623,314

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Applications for corporate reorganisation proceeding filed on 15 Nov 2013)

(all amounts in EUR '000)

	Share capital	Share issue	Share premium	Invested unrestricted equity	Other reserves	Retained deficit	Total	Non-controlling interest	Total equity
1 Jan 2013	80	-	8,086	490,749	48,810	(242,962)	304,763	1,989	306,752
Loss for the period	-	-	-	-	-	(21,005)	(21,005)	(2,927)	(23,932)
Total comprehensive income for the period	-	-	-	-	-	(21,005)	(21,005)	(2,927)	(23,932)
Transactions with owners									
Perpetual capital loan	-	-	-	-	2,612	(1,851)	761	-	761
Rights issue	-	49,463	-	-	-	-	49,463	-	49,463
Incentive arrangement for Executive Management	-	-	-	-	23	-	23	-	23
Employee share option scheme	-	-	-	-	-	-	-	-	-
- value of employee services	-	-	-	-	61	-	61	-	61
Total contribution by and distribution to owners	-	49,463	-	-	2,696	(1,851)	50,308	-	50,308
Total transactions with owners	-	49,463	-	-	2,696	(1,851)	50,308	-	50,308
31 Mar 2013	80	49,463	8,086	490,749	51,506	(265,818)	334,066	(938)	333,128
31 Dec 2013	80	-	8,086	741,576	23,028	(925,854)	(153,085)	(134,378)	(287,463)
1 Jan 2014	80	-	8,086	741,576	23,028	(925,854)	(153,085)	(134,378)	(287,463)
Loss for the period	-	-	-	-	-	(14,570)	(14,570)	(2,549)	(17,118)
Total comprehensive income for the period	-	-	-	-	-	(14,570)	(14,570)	(2,549)	(17,118)
Transactions with owners									
Incentive arrangement for Executive Management	-	-	-	-	23	-	23	-	23
Total contribution by and distribution to owners	-	-	-	-	23	-	23	-	23
Total transactions with owners	-	-	-	-	23	-	23	-	23
31 Mar 2014	80	-	8,086	741,576	23,051	(940,423)	(167,631)	(136,927)	(304,558)

CONSOLIDATED STATEMENT OF CASH FLOWS

(Applications for corporate reorganisation proceeding filed on 15 Nov 2013)

(all amounts in EUR '000)	Unaudited three months to 31 March 2014	Unaudited three months to 31 March 2013	Audited twelve months to 31 Dec 13
Cash flows from operating activities			
Loss for the period	(17,118)	(23,932)	(812,477)
Adjustments for			
Tax	-	(7,797)	54,434
Depreciation and amortization	6,032	13,099	53,197
Impairment charges on PPE	-	-	499,300
Impairment charges on inventories	-	-	93,685
Other adjustments	861	(6,758)	(6,052)
Interest income	(169)	(339)	(901)
Interest expense	10,195	12,080	57,143
	(199)	(13,647)	(61,671)
Change in working capital			
Decrease(+)/increase(-) in other receivables	1,527	8,291	6,523
Decrease (+)/increase (-) in inventories	322	(8,702)	(61,009)
Decrease(-)/increase(+) in trade and other payables	(2,116)	(4,305)	(2,006)
Change in working capital	(267)	(4,716)	(56,492)
	(466)	(18,363)	(118,163)
Interest and other finance cost paid	(409)	(789)	(27,938)
Interest and other finance income	12	213	346
Net cash used in operating activities	(863)	(18,939)	(145,772)
Cash flows from investing activities			
Investments in associates	-	(486)	(1,274)
Purchases of property, plant and equipment	(1,471)	(17,085)	(60,051)
Purchases of biological assets	-	(52)	(262)
Purchases of intangible assets	(29)	(176)	(221)
Proceeds from sale of biological assets	644	92	1,194
Net cash used in investing activities	(856)	(17,707)	(60,614)
Cash flows from financing activities			
Proceeds from share issue net of transactions costs	-	54,035	247,390
Related party investment in Talvivaara shares	-	-	(186)
Proceeds from advance payments	-	19,480	19,488
Payment of interest-bearing liabilities	(1,366)	(1,317)	(82,288)
Payment of financial leasing liabilities	(1,712)	(2,919)	(8,209)
Net cash generated from financing activities	(3,078)	69,279	176,195
Net increase (decrease) in cash and cash equivalents	(4,797)	32,633	(30,191)
Cash and cash equivalents at beginning of the period	5,867	36,058	36,058
Cash and cash equivalents at end of the period	1,070	68,691	5,867

NOTES

1. Basis of preparation

This interim report has been prepared in compliance with IAS 34

The interim financial information set out herein has been prepared on the same basis and using the same accounting policies as were applied in drawing up the Group's statutory financial statements for the year ended 31 December 2013.

2. Property, plant and equipment

(all amounts in EUR '000)	Machinery and equipment	Construction in progress	Land and buildings	Other tangible assets	Total
Gross carrying amount at 1 Jan 14	407,003	105,154	294,482	242,147	1,048,786
Additions	77	1,395	-	-	1,472
Gross carrying amount at 31 Mar 14	407,080	106,549	294,482	242,147	1,050,258
Accumulated depreciation and impairment losses at 1 Jan 14	293,759	67,305	204,757	178,010	743,831
Depreciation for the period	3,911	-	1,200	831	5,942
Accumulated depreciation and impairment losses at 31 Mar 14	297,670	67,305	205,957	178,841	749,773
Carrying amount at 1 Jan 14	113,244	37,849	89,725	64,137	304,955
Carrying amount at 31 Mar 14	109,410	39,244	88,525	63,306	300,485

3. Trade receivables

(all amounts in EUR '000)

	As at 31 Mar 14	As at 31 Dec 13
Nickel-Cobalt sulphide	15,952	9,977
Zinc sulphide	375	375
Copper sulphide	-	37
Total trade receivables	16,327	10,389

4. Inventories

(all amounts in EUR '000)

	As at 31 March 2014	As at 31 Dec 2013
Raw materials and consumables	24,350	24,800
Work in progress	231,625	234,193
Finished products	3,841	2,457
Total inventories	259,816	261,451

5. Borrowings

(all amounts in EUR '000)

	As at 31 Ma 14	As at 31 Dec 13
Non-current		
Finance lease liabilities	15,264	17,000
Other	-	13,593
	15,264	30,592
Current		
Capital loans	1,405	1,405
Perpetual capital loan	35,106	35,106
Investment and Working Capital loan	57,855	57,855
Finance lease liabilities	7,052	7,032
Revolving Credit Facility	70,000	70,000
Senior Unsecured Bonds due 2017	110,000	110,000
Senior Unsecured Convertible Bonds due 2015	244,230	242,613
Other	12,227	-
	537,875	524,011
Total borrowings	553,139	554,603

6. Advance payments

(all amounts in EUR '000)

	As at 31 Mar 14	As at 31 Dec 13
Non-current		
Deferred zinc sales revenue	216,713	216,713
Deferred uranium sales revenue	53,928	53,928
	270,641	270,641
Current		
Deferred zinc sales revenue	15,456	15,456
	15,456	15,456
Total advance payments	286,097	286,097

7. Provisions

	Gypsum pond leakage	Water balance management	Environmental restoration	Mining fee	Total
31 Dec 13	3,775	2,531	6,849	162	13,316
Charged/(credited) to the income statement:					
Additional provisions	-	-	106	8	114
Unwinding of discount	-	-	1	-	1
Used during the period		(2,531)	-	-	(2,531)
31 Dec 14	3,775	-	6,956	170	10,901

The non-current and current portions of provisions are as follows:

	As at 31 Mar 14	As at 31 Dec 3
Non-current		
Gypsum pond leakage	3,775	3,775
Environmental restoration	6,956	6,849
Mining fee	170	161
	10,901	10,785
Current		
Water balance management	-	2,531
	-	2,531
Total	10,901	13,316

8. Changes in the number of shares issued

	Number of shares
31 Dec 13	1,906,167,480
Changes	-
31 Dec 14	1,906,167,480

9. Contingencies and commitments

(all amounts in EUR '000)

The future aggregate minimum lease payments under non cancellable operating leases

	As at 31 Mar 14	As at 31 Dec 13
Not later than 1 year	1,812	1,812
Later than 1 year and not later than 5 years	549	552
Later than 5 years	25	29
	2,386	2,393

Capital commitments

At 31 March 2014, the Group had capital commitments amounting to EUR 0.8 million (31 December 2013: EUR 1.2 million) principally relating to the completion of the Talvivaara mine, improving the reliability and expansion of production capacity. These commitments are for the acquisition of new property, plant and equipment.

Talvivaara Mining Company Plc
Key financial figures of the Group

		Three months to 31 Mar 14	Three months to 31 Mar 13	Twelve months to 31 Dec 13
Net sales	EUR '000	29,014	27,605	77,572
Operating loss	EUR '000	(7,092)	(19,988)	(701,801)
Operating loss percentage		-24.4 %	-72.4 %	-904.7 %
Loss before tax	EUR '000	(17,118)	(31,729)	(758,043)
Loss for the period	EUR '000	(17,118)	(23,932)	(812,447)
Return on equity		-	-7.5 %	-12.9 %
Equity-to-assets ratio		-49.9 %	25.5 %	-46.1 %
Net interest-bearing debt	EUR '000	552,069	530,063	548,736
Debt-to-equity ratio		-181.3 %	159.1 %	-190.9 %
Return on investment		-2.7 %	-1.3 %	-1.2 %
Capital expenditure	EUR '000	1,471	17,313	60,535
Property, plant and equipment	EUR '000	300,485	813,604	304,956
Borrowings	EUR '000	553,139	598,754	554,603
Cash and cash equivalents at the end of the period	EUR '000	1,070	68,691	5,867

Share-related key figures

		Three months to 31 Mar 14	Three months to 31 Mar 13	Twelve months to 31 Dec 13
Earnings per share	EUR	(0.01)	(0.09)	(0.48)
Equity per share ¹	EUR	-0.09	1.00	-0.19
Development of share price at London Stock Exchange				
Average trading price ²	EUR	0.06	0.53	0.12
	GBP	0.05	0.45	0.10
Lowest trading price ²	EUR	0.04	0.21	0.30
	GBP	0.03	0.18	0.30
Highest trading price ²	EUR	0.08	1.33	1.34
	GBP	0.07	1.14	1.14
Trading price at the end of the period ³	EUR	0.04	0.25	0.08
	GBP	0.04	0.21	0.07
Change during the period		-45.0 %	-79.7 %	-93.2 %
Price-earnings ratio		neg.	neg.	neg.
Market capitalization at the end of the period ⁴	EUR '000	84,928	66,821	159,759
	GBP '000	70,338	56,504	133,622
Development in trading volume				
Trading volume	1000 shares	87,344	42,435	776,597
In relation to weighted average number of shares		4.6 %	15.6 %	54.2 %
Development of share price at OMX Helsinki				
Average trading price	EUR	0.06	0.63	0.11
Lowest trading price	EUR	0.04	0.22	0.03
Highest trading price	EUR	0.08	1.39	1.39
Trading price at the end of the period	EUR	0.04	0.23	0.08
Change during the period		-42.8 %	-81.7 %	-93.9 %
Price-earnings ratio		neg.	neg.	neg.
Market capitalization at the end of the period	EUR '000	82,918	61,814	145,059
Development in trading volume				
Trading volume	1000 shares	273,786	113,082	3,086,423
In relation to weighted average number of shares		14.4 %	41.5 %	215.6 %
Adjusted average number of shares		1,906,167,480	272,309,640	1,431,677,258
Fully diluted average number of shares		1,903,899,480	271,205,640	1,530,295,193
Number of shares at the end of the period		1,906,167,480	272,309,640	1,906,167,480

¹⁾ The funds entered into share issue reserve are not included in the calculation.

²⁾ Trading price is calculated on the average of EUR/GBP exchange rates published by the European Central Bank during the period.

³⁾ Trading price is calculated on the EUR/GBP exchange rate published by the European Central Bank at the end of the period.

⁴⁾ Market capitalization is calculated on the EUR/GBP exchange rate published by the European Central Bank at the end of the period.

Employee-related key figures

		Three months to 31 Mar 14	Three months to 31 Mar 13	Twelve months to 31 Dec 13
Wages and salaries	EUR '000	5,092	4,204	23,274
Average number of employees		523	586	603
Number of employees at the end of the period		516	583	549

Other figures

	Three months to 31 Mar 14	Three months to 31 Mar 13	Twelve months to 31 Dec 13
Share options outstanding at the end of the period	-	16,289,000	5,958,837
Number of shares to be issued against the outstanding share options	-	16,289,000	5,958,837
Rights to vote of shares to be issued against the outstanding share options	-	0.8 %	2.1 %

**Talvivaara Mining Company Plc
Key financial figures of the Group**

Return on equity	$\frac{\text{Profit (loss) for the period}}{(\text{Total equity at the beginning of period} + \text{Total equity at the end of period})/2}$
Equity-to-assets ratio	$\frac{\text{Total equity}}{\text{Total assets}}$
Net interest-bearing debt	Interest-bearing debt - Cash and cash equivalent
Debt-to-equity ratio	$\frac{\text{Net interest-bearing debt}}{\text{Total equity}}$
Return on investment	$\frac{\text{Profit (loss) for the period} + \text{Finance cost}}{(\text{Total equity at the beginning of period} + \text{Total equity at the end of period})/2 + (\text{Borrowings at the beginning of period} + \text{Borrowings at the end of period})/2}$
Share-related key figures	
Earnings per share	$\frac{\text{Profit (loss) attributable to equity holders of the Company}}{\text{Adjusted average number of shares}}$
Equity per share	$\frac{\text{Equity attributable to equity holders of the Company}}{\text{Adjusted average number of shares}}$
Price-earnings ratio	$\frac{\text{Trading price at the end of the period}}{\text{Earnings per share}}$
Market capitalization at the end of the period	Number of shares at the end of the period * trading price at the end of the period