

**Stock Exchange Release****Talvivaara Mining Company Plc****4 October 2016****Talvivaara has signed an agreement on the acquisition of energy saving technology**

Talvivaara Mining Company Plc ("Company" or "Talvivaara") announces that it has today signed an agreement on the acquisition of technology that aims to enhance the energy efficiency of the basic industry. The object of sale consists of the rights to the control system on which the technology is based and the existing test use equipment utilizing the technology. The assets will be acquired by a wholly-owned subsidiary of the Company set up for this purpose.

The purchase price of the technology is five percent of the EBIT generated by the technology in the future. However, the Company has the right to terminate the EBIT based earn-out arrangement by paying a lump sum of EUR 2 million to the seller of the technology. In addition, the Company pays a compensation for the equipment reflecting their reasonable development and manufacturing costs, EUR 160,000. The closing of the agreement remains conditional, among others, on the approval of the Company's Board of Directors.

Even though the Company considers that the business based on the energy saving technology is potentially viable, the commercialization of the technology will require further development of the underlying business model and the control system. As part of the arrangement published today, the Company has agreed to recruit one of the original developers of the technology, in addition to which the Company is preparing to strengthen its organization with several other experts needed for the development of the technology and thereto related business.

In addition to the transaction published today, the Company continues to investigate and develop its other selected projects. At this point it is too early for the Company to take a view on the likelihood of any of these projects to be successfully realized.

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