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Sotkamo Silver AB

Timo Lindborg, Doctor of Science (Technology), CEO

SILVER MINE – OPENING SPEECH

Dear employees of the company, Prime Minister Juha Sipilä, MPs, consultants, contractors and others present. I am glad that you are here today inaugurating the Silver Mine for the production. We are about 240 people here now. This fact indicates that the mining industry has a future in Finland and Kainuu. I am extremely grateful, and I appreciate your presence very much.

Investigations of the Silver Mine deposit began when Ilkka Tuokko and Kalle Taipale, in their field survey in the Oulu University's Kuhmo Ore Project in 1980, discovered the boulder that led to the discovery of the deposit. The research project proceeded successfully and subsequently also Kajaani Oy, and Outokumpu Oy attended the project.

Tauno Piirainen, Professor Emeritus led the early studies. He is also present here now. Also, the most important researchers and implementers of the then Taivalhopea Project are here together with other project emeritus experts.

The mining project itself was halted in 1991 because of changes in metal prices. However, time passed, and the prices rose. In 2006, together with Kalle Taipale and Jouko Jylänki, I founded Sotkamo Silver. We took it to the stock market to obtain the necessary financing. Now, with the support of the company's owners and financiers, we have been able to create this Silver Mine and celebrate the opening ceremony.

Representatives of major owners and financiers are also present. Thank you for your contributions and your trust. Without you, this Silver Mine would not exist. (Finnish Industry Investment Ltd / Finnish Minerals Group, Taaleri, Hexof, Arto Hartikainen, Finnvera).

The five largest contractors and engineering firms involved in the construction can be seen on the screen here behind me (Contractors: RPK Rakennus Kempainen Oy; Ruukki Construction; Betamet Oy; E. Hartikainen Oy; Tapojärvi Oy – Engineering offices: CTS-Engtec Oy; ABB Oy; PCS-Engineering Oy; Ins.toimisto Savolainen Oy; Infrasuunnittelu Oy)

There have been around 40-50 different contractors on the site, and at its best, about 170 people a day have been building the mine.

For my part, this is the third time when I am a speaker in the mine's opening ceremony, and where the guests of honour have been various ministers, today the Prime Minister Juha Sipilä. I consider this a great honour.

I consider myself to be a serial entrepreneur in the mining business, taking into account that even after the initial research phase, the development of a mineral deposit into a mine takes 10-15 years nowadays.

Environmental issues have been important to me already as a teenager – and also when I entered the mining industry. I wanted to do something that others didn't do then, and so I chose to set up mines. The

mining entrepreneurship and its related environmental issues have been challenging enough during these years.

The global perspective, included in the definitions of sustainable development, is, in my opinion, an argument for the domestic and Kainuu mining cluster. In Finland and Kainuu, ore deposits can be utilised more sustainably than in many other countries.

My own goal has been to use natural resources in a sustainable way, deploying advanced technology, science-based knowledge and ethical entrepreneurship when utilising mineral resources. Together these factors create a solid base for production and know-how which base is difficult to relocate in an international knowledge network or to other countries.

Approximately 20% of the mine's net sales goes to cover different taxes and tax-like payments. If the mining company makes a profit, the corporation tax will additionally be paid on the profit. In my opinion, the present discussion on the new mining tax is based on the wrong assessment that mines would not generate tax revenue.

The mining industry and the metal industry with its support functions are one of the most essential industrial clusters for industrial activities in Kainuu and Finland. Indeed, the mining industry is comparable to a high-tech and knowledge-based export industry. In both, a value is produced "out of nothing", either from between one's ears or out of the bedrock. This creates wealth for our economy and new capital to sustain our welfare society. Finland profiles itself as a producer, processor and recycler of metallic raw materials in an environmentally sustainable and socially responsible manner as a part of the circular economy.

The raw materials that form the base of mining production have not diminished. This is due to technological development, substitution materials and processes. The "regeneration" and multiplication of mineral raw materials happens as the economic and technical parameters change and competence is developed. It is not easy to find historical evidence and support for the absolute scarcity of mineral raw materials; globally seen they will never end.

The mining industry with its support functions is one of the most important industrial clusters for the future of Kainuu's industrial operations. Today's ore is not necessarily tomorrow's ore, because we do not know about future demand and needs. The ore is best used when it's needed.

For success, we need open-mindedness, capital, and a willingness to take risks. This way we support the tremendous economic and knowledge potential that Kainuu has in its mining cluster.

I hope that Finnish society creates and fosters a business environment where the economic potential of our soil and bedrock will be utilised sustainably as part of Finland's business life and the financing of the welfare society.

Now, having started production in the Silver Mine, Sotkamo Silver and I will be making our contribution to a sustainable future and welfare of Finnish society.

THANK YOU ALL FOR YOUR SUPPORT – LET THE COOPERATION CONTINUE ALSO IN THE FUTURE

Timo Lindborg