

February 17, 2017

TERRAFAME LTD. ARTICLES OF ASSOCIATION

1 § Trade name and domicile

The company's trade name is Terrafame Oy in Finnish, Terrafame Ab in Swedish and Terrafame Ltd. in English.

The company's domicile is Sotkamo.

2 § Field of business

The company's field of business is to engage in ore exploration, utilisation and excavation as well as other mining and extractive operations, to purchase and sell mining rights and to practice business based on know-how acquired in these areas, business related to them or business compatible with them. The company can also own real estate and securities as well as engage in related transactions and other investments operations.

3 § Board of Directors

The company has a Board of Directors comprised of no less than three (3) and no more than seven (7) members.

The Annual General Meeting of shareholders elects the chair, the vice chair and other members of the Board of Directors.

The term of office of each member of the Board of Directors expires at the closing of the Annual General Meeting of shareholders following the election.

4 § Company's representation

The company is represented by the Board of Directors, the Chair of the Board of Directors and the Managing Director both alone as well as two (2) members of the Board of Directors acting jointly.

The Board of Directors may grant procuration or the right to represent the company to a named person alone or jointly with another holder of procuration or jointly with a member of the Board of Directors.

5 § Auditor

The company's auditor shall be an auditing company approved by the Finnish Patent and Registration Office. The term of office of the auditor ends upon the closure of the subsequent annual general meeting following the election.

6 § Accounting period

The company's accounting period is a calendar year, starting on 1 January and closing on 31 December.

7 § Notice convening a General Meeting

The notice convening a General Meeting shall be delivered to the shareholders no more than two (2) months and no less than two (2) weeks prior to the General Meeting. The notice shall be delivered to the shareholder in writing or otherwise in a verifiable manner to an address recorded in shareholders' register or an address otherwise known to the company.

8 § Annual General Meeting of shareholders

The Annual General Meeting of shareholders shall be held each year within six (6) months from the end of the company's accounting period.

At the meeting,

the following are presented:

1. the financial statements, which include the profit and loss account, the balance sheet, the cash flow statement and notes to the financial statements;
2. the report of the Board of Directors;
3. the auditor's report;

the following are resolved upon:

4. the adoption of the financial statements;
5. the use of profits shown on the balance sheet;
6. the discharge of members of the Board of Directors and the Managing Director from liability;
7. the remuneration and the reimbursement of travelling expenses of the members of the Board of Directors and the auditor;
8. the number of the members of the Board of Directors;

the following are elected:

9. the members of the Board of Directors, the chair and the possible vice chair;
10. the auditor;

and the following are discussed:

11. other matters presented in the notice.

9 § Meeting place

In addition to the company's domicile, the Annual General Meeting of shareholders can be held in Helsinki.

10 § Redemption clause

If a share is transferred to a third party transferee, who is not a shareholder of the company, the transferee shall without delay inform the company's board of directors thereof. In case the share was transferred to the transferee by another party than the company, the shareholders and the company are entitled to redeem the share from such transferee on the following conditions:

- i. The shareholders have the primary redemption right. The company may redeem the transferred share only in the event that no shareholders use their redemption right.
- ii. The redemption price is the price agreed between the transferor and the transferee, or if the acquisition is gratuitous, the mathematical net value of a share based on the latest adopted annual accounts.
- iii. The board of directors shall inform the shareholders of the transfer of shares within three (3) weeks from receiving the notice concerning such a transfer. The board of directors shall at the same time inform the shareholders whether the company intends to use its secondary redemption right. In the event the transfer is not gratuitous, the notice must include the agreed consideration. The notice must be delivered in the same manner as a notice to convene a general meeting of shareholders.
- iv. Shareholders must make redemption claims to the company in writing within six (6) weeks of the date when the board of directors was notified of the transfer of shares. The company shall notify the transferee on the use of its redemption right within seven (7) weeks of the date when the board of directors was notified of the transfer of shares.
- v. If more than one shareholder wishes to exercise their redemption right, the board of directors shall divide the shares between the parties wishing to redeem in proportion to their shareholdings. If the shares cannot be divided evenly in this manner, the excess shares will be distributed amongst those wishing to redeem by drawing lots.
- vi. The redemption price shall be paid within four (4) weeks of the expiry of the period reserved for making redemption claim or the confirmation of the redemption price, whichever is later. In the event the redeemer is a shareholder, the redemption price shall be paid to the company that forwards the redemption price to the transferee or another person entitled to receive it. In the event the company is the redeemer, the redemption price shall be paid to the transferee or another person entitled to receive it.
- vii. Any disputes regarding the right of redemption and the amount of the redemption price shall be referred for settlement by an arbitral tribunal in compliance with the provisions of the Finnish Arbitration Act.

This article shall be included in all share certificates, the share register, any interim certificates and subscription right certificates.