



**SOTKAMO SILVER AB**  
**(NGM:SOSI; NASDAQ: SOSI1)**

**Stock Exchange Release 2016-11-16**  
**Stockholm 9.00 A.M.**

## **SUMMARY OF THE INTERIM REPORT, JANUARY - SEPTEMBER 2016**

### **THE CURRENT PERIOD (3 months, July - September)**

- Net profit/loss was 400 KSEK (-294) and earnings per share -0.00 SEK (-0.01).
- The Group sale was 0 KSEK (4).
- Investments were during the period was 2 656 KSEK (11 162).

### **SUMMARY OF THE INTERIM REPORT JANUARY - SEPTEMBER 2016**

- Net profit/loss was -4 057 KSEK (-6 500) and earnings per share -0.10 SEK (-0.31).
- Group's sale was 3 KSEK (446).
- Cash and cash equivalents was 163 341 KSEK (12 741) at September 30<sup>th</sup> 2016.
- Investments during the period was 6 504 KSEK (14 626).
- Equity was 290 473 KSEK (124 757) at September 30<sup>th</sup> 2016.
- The financing- and delivery agreement with ABB was extended until December 2016.
- The silver-content of the ore-reserves increased with 22%.
- The feasibility-study was completed and economic figures for the Silver mine project was up-dated.
- The power-line at the Silver-mine was sold to the local grid company, Loiste.
- The fully subscribed rights issue raised about 186 million SEK before issue-cost.
- The Company repaid the convertible loan to Taaleri, inclusive interest.

### **SUMMARY OF SIGNIFICANT EVENTS AFTER THE BALANCE**

- Erkki Kuronen started his employment as Chief geologist at Sotkamo Silver Oy on October 1<sup>st</sup> 2016.

The comparative numbers relate to the corresponding period of the previous year's income statement and cash flow items and December 31st 2015 for Balance Sheet items.

## THE CEO

It was a positive third quarter for the silver market, according to GMP Securities Equity Research. During the period, the average price was \$ 19.62 / Oz., which was 19.5 % higher than previous quarter. In October however, we have seen a stabilization around \$ 17 per Oz. The current silver-price is higher than the one used when the updated feasibility study's economic figures was presented. The development is positive and I expect that this will remain.

Two analyzes was made upon requests from the Company. One was made by Aktiespararna (Shareholders Association), Analysguiden and the other one was made by Inderes in Finland. The latter is in Finnish. In these analyzes the Company's operations and future plans are described. Although the scale of the two analyzes are different, the results are almost the same with a share valuation of SEK 4. These analyzes are available at the Analysguiden's and Inderes' internet pages.

With a successful rights issue last summer, the Company raised approximately 186 KSEK. The total issue-cost amounted to about 10 %, which is considered as relatively low. We say thank you to our advisor Stockholm Corporate Finance and to Taaleri, who actively helped us with marketing in Finland. The issue gave us many new, relatively large owners which I am happy for.

After the sale of Sotkamo Silver's power-line the Company strengthened the cash by approximately 12 KSEK. The resources and the capital released by the transaction will be used for construction of the mine.

In August, the Company repaid the convertible loan to Taaleri inclusive interest of total 15.5 KSEK. Therefore, the Group is currently almost debt free, which strengthens the Company's position at negotiations on additional financing- opportunities and conditions.

The Company believes that the remaining part of the required capital will be financed through various options such as debt instruments, 'streaming' financing and vendor financing etc. The Company is also investigating the possibility of offering shareholders the opportunity to participate in the financing on an interest-baring basis.

The Company has started works on construction at the Silver Mine. The works include planning and construction of the concentrator's and underground's mine infrastructure. The underground mine will be prepared for mining by improvement of the ventilation- and pumping stations. Preparatory ground-work is ongoing for the area's transportation roads and pond-bottom plus equalization of the peat sealing layer.

By starting these works already now the Company can plan and implement them effectively. In addition, the construction will be carried out faster and smoother. The ambition is that all building and construction should be completed by the end of 2017, with the aim to reach full production during the first half of 2018.

Ahead of us we have a very stimulating time that together with Sotkamo Silver's skilled employees build the Silver Mine.

Timo Lindborg



## Reporting Dates

- Year End Report 2016 - February 15<sup>th</sup> 2017.
- Annual General Meeting – March 23<sup>rd</sup> 2017.

## Share data

Sotkamo Silver's shares were traded at 3,47 last trading date, i. e. September 30<sup>th</sup> 2016. The share capital amounted to SEK 141 596 341,47. Quota value was SEK 1.37. Number of shares and votes are 103 215 990. Market capitalization on September 30<sup>th</sup> was about 358 million SEK.

The shares are traded at NASDAQ OMX Helsinki, NGM Equity-pörssissä Stockholm and Börse Berlin, Open Market Berlin.

The ticker symbol is SOSI in NGM Equity in Stockholm and SOSI1 in NASDAQ OMX Helsinki.

ISIN-code for Sotkamo Silver shares is SE0001057910.

ISIN- code for share warrants series 2016/2017 are SE0008373880

Legal Entity Identifier (LEI): 213800R2TQW1OZGYDX93

Read more about Sotkamo Silver on [www.sotkamosilver.com](http://www.sotkamosilver.com) or [www.silver.fi](http://www.silver.fi)

For further information: Timo Lindborg, CEO, tel. +358 40 508 35 07

A complete Report in Swedish can be downloaded from:

<http://www.silver.fi/sivu/se/delarsrapporter/>

Sotkamo Silver AB discloses the information provided herein pursuant to the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act.

The official Stock Exchange Releases are given in Swedish and there may be slight differences in the translated versions.

Stockholm, November 16<sup>th</sup> 2016

Sotkamo Silver AB

Timo Lindborg, CEO

The Company's press releases and financial reports are distributed via NGM and are available on [www.silver.fi](http://www.silver.fi)

## About Sotkamo Silver AB:

Sotkamo Silver AB's business concept is to exploit mineral deposits in the Nordic countries with regards to human society and environment. Sotkamo Silver owns, through its subsidiary mineral deposits, which contains silver and gold in Finland and zinc in Norway. The Company's main development project is the Silver Mine project in the municipality of Sotkamo.



Sotkamo Silver applies SveMin's & FinnMin's respective rules of reporting for public mining & exploration companies. Sotkamo Silver has chosen to report mineral resources and ore reserves according to the internationally accepted JORC or NI 43-101-code. The company applies International Financial Reporting Standards (IFRS) as approved by the European Union.