



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

**Press release November 15 2017**  
**Stockholm 08.45 CET**

## **SUMMARY OF INTERIM REPORT JULY-SEPTEMBER 2017**

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

- Net profit was KSEK -7,860 KSEK (400)
- Result per share to SEK -0.07 (0.00)
- The Group sale was KSEK 17 (0)
- Net Investments were during the period 6,972 KSEK (2,656)
- An updated Technical Report of the Silver Mine was completed in July that amongst other shows a Payback of less than two years from start of production
- The Board decided to move the Blaiken plant to Sotkamo, Finland
- On going discussions with Traxys but also with other potential financiers, an increased interest have been proven after the release of the Technical Report
- August was the subscription period for the warrants TO4, the subscription price was 4 SEK or 0,42 EUR if the warrant is traded on Nasdaq Helsinki, Finland and a total of 13,347,599 shares was subscribed and the Company was supplied with 53.4 MSEK before issue costs of 3.2 MSEK.
- The assays of the infill drilling program that was completed during May and June was ready in August and gave good results and enhanced the view of a potential towards thee deep

### **SUMMARY OF INTERIM REPORT JANUARY - SEPTEMBER 2017**

- Net profit was -15,347 KSEK (-4 057)
- Result per share was -0,14 SEK (-0,10)
- The Group sale was 77 KSEK (3)
- Cash and cash equivalents of September 30th 2017 was 178.4 MSEK (156.5)
- Investments during the period 19.3 MSEK (6.5)
- Equity was 327.9 MSEK (287.9) at September 30th
- EuroMin Limited subscribed for the First Subscription of 1,398,572 Shares in December 2016 and subscribed for another 1,351,533 Shares in February
- Paul Johnsson was appointed as CFO in May when Agnetha Pernerklint was retired
- Arto Soukas was appointed to Mine Director in June
- Groundwork continued with road construction and Construction planning begun for the processing plant.

## **SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

The company have acquired the planning and construction of the concentrator plant building at the Silver mine site. The size of the investment is ca. 6.5 million euros.

The income statement items in this report as well as their comparatives, cover the period January – September, unless stated otherwise. The balance sheet items refer to the respective period end both for the current year and last year.

## **CEO LETTER NOVEMBER 2017**

The most important event of the quarter was the subscription period for Sotkamo Silver's warrants in August. A total of 13,347,599 new shares were subscribed with warrants, and the Company acquired new capital for the amount of approximately 53.2 MSEK (approximately 5.6 M€). The subscription rate was 65%. The total number of shares and votes in Sotkamo Silver amounts to 119,313,694 shares and the share capital is 163,649,896.48 SEK. The Company's cash position was significantly strengthened. This improves the Company's ability for financing the Silver Mine project.

Sotkamo Silver has compiled an updated Technical Report on the Silver Mine Project. Based on the report's economic analysis, the Silver Mine project will be highly profitable according to the current assumptions and knowledge. Based on the positive results of the Technical Report and on the boost on the cash position, the Board has decided to continue actions for commencing production at the Silver Mine. The Company has started planning and construction of the building for the Silver Mine's concentrator plant and is engaged with the detailed planning. We will move the equipment from Blaiken to the new building during the first half of 2018. The investment for the building amounts to approximately 6.5 million euros. The building with inclusive investments is expected to be ready by the end of June 2018. I'm pleased to see that the Board decided to start the construction of the concentrator plant building deploying the Company's strong cash position, even though the negotiations on the final financing package are still under way. This decision will speed up the start-up of production and allow us to keep to the current schedule and budget.

The infill core drilling program of the Silver Mine has also been implemented and the results indicate high silver and gold levels at infill core drilling in the deeper parts of the Silver Mine and under the existing ore deposit. The drilling results reinforce my view that there are mineral resources with higher metal and gold levels in the depth under the known ore reserve. Drilling results, together with previous research findings, reinforce Sotkamo Silver's view that the silver deposits extend at least to the depth of 1 500 - 2 000 meters below ground level. The exploration target volume in the depth under current mineral resources is more than 20 million tonnes of potential new mineral resources.

At present, the Company is undergoing several discussions regarding financing. We work with several opportunities and engage in advanced negotiations with a number of financiers. I am optimistic that Sotkamo Silver can find a win-win alternative among the several financing solutions being negotiated or evaluated by us. However, these discussions do not so far constitute a commitment to any transaction or financing on their side or ours.

The silver price has taken a roller-coaster ride throughout the year, especially during the first months of the year. Now the price seems to have stabilized at around 17 dollars per troy ounce since late September and early October. It seems that the silver price and also the gold price will need a significant market pressure to break higher. Normally we can expect an inverse relationship between the precious metal prices and the US dollar. Since the beginning of October the dollar has been strengthening, which suggests a corresponding fall on the silver price. This did happen in early October, but since then the silver price has stabilized at around 17 dollars per troy ounce. Something may be happening that generates a pressure for rising prices, which counteracts the stronger dollar's influence for decreasing the price of the precious metals and silver. Although the time period is too short for definitive conclusions, this situation is worth following in the coming months. When estimating the silver price development in the near future we must closely follow dollar price development in conjunction with the US tax reform, demand for silver, geopolitics and US interest rate policy, and other possible unpredictable incidents.

CEO Timo Lindborg

## **REPORTING DATES**

- Year-End Report 2015 - February 21, 2018
- Annual General Meeting – March 15, 2018

## **SHARE DATA**

The share capital amounted to SEK 163,679,896.48. Number of shares and votes are 119,313,694. Quota value was SEK 1.37. On the last trading date, September 29, 2017, the market capitalisation was 477 MSEK at closing-date at a price per share of 4,00 SEK.

## **ANNUAL REPORT AND FINANCIAL REPORTS**

A complete Quaterly Report of the second Quater and other financial reports in Swedish can be downloaded from:

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

## **CONTACT PERSON**

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*This information is information that Sotkamo Silver AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 08:45 CET on November 15th, 2017.*

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



## **ABOUT SOTKAMO SILVER AB**

*Sotkamo Silver AB's business concept is to exploit mineral deposits in the Nordic countries with positive social and environmental benefits. Sotkamo Silver owns mineral deposits, which contain silver and gold in Finland as well as zinc and gold 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.*

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

*ISIN-code for Sotkamo Silver shares is SE0001057910.*

*Legal Entity Identifier (LEI): 213800R2TQW1OZGYDX93*

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