

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

Press Release 27th, March 2018
Stockholm, 08.45

SOTKAMO SILVER AB HAS RESOLVED TO ISSUE CONVERTIBLES OF MEUR 5.1 WHICH CAN BE CONVERTED INTO A MAXIMUM OF 11,087,400 SHARES

As part of the additional financing package that Sotkamo Silver AB announced on 2 March 2018, the Board of Directors of the Company has resolved, based on the authorization granted by the Annual General Meeting on 15th March 2018, to issue convertibles of in total a nominal amount of about MEUR 5.1, divided between a maximum of 102 convertibles, each with a par value of EUR 50,002. A full conversion could increase the company's share capital with a maximum of SEK 15,210,194.44.

The loan carries an annual interest of eight (8) per cent. The loan period is 4.5 years and would be repaid at maturity by a single instalment. The holder of convertibles has the right to convert convertibles to new shares at a conversion price of EUR 0.46 per share during the period from registration of the issue by the Swedish Companies Registration Office up to and including 15th September 2022.

The terms and conditions of the convertible bond include 30% equity ratio of Sotkamo Silver AB covenant and other conventional undertakings.

The right to subscribe for convertibles shall, with derogation from the shareholders' pre-emption rights, vest in a limited number of external investors. The subscription price has been determined after negotiations with the investors and is based on a calculation of the volume weighted average closing price for the company's share during the period 15th December 2017 to 1st March 2018, with an addition of 15 per cent. The motive for the convertible issue and to a derogation from the shareholders' pre-emption rights is to secure the financing of the Silver Mine project

Subscription of convertibles shall be made on a subscription list on 27th March 2018. Subscribed convertibles shall be paid in cash at latest on 4th April 2018. The board of directors shall be entitled to extend the subscription and payment period.

Stockholm, March 27th 2018

Timo Lindborg, CEO

Contact person

Timo Lindborg, CEO of Sotkamo Silver AB, tel. +358 40 508 3507

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, on 27 March 2018, at 08.45 CET.

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.

Legal Entity Identifier (LEI): 213800R2TQW10ZGYDX93

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

ISIN-code for Sotkamo Silver shares is SE0001057910.

Read more about Sotkamo Silver on d or www.silver.fi

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