



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

**Company Announcement 2019-05-10**

**8.30 a.m. Stockholm**

**SOTKAMO SILVER AB RESOLVED TO DIRECT A SHARE ISSUE OF MAX 4,200,000 SHARES AND AN ISSUE OF CONVERTIBLES WITH A TOTAL NOMINAL AMOUNT OF MAXIMUM OF 15 MSEK, RAISING THE PROCEEDS OF MAXIMUM 29.4 MSEK**

Press release in Stockholm 10.5.2019, 8.30 o'clock.

Share issue:

The Board of Directors of Sotkamo Silver AB (publ) (the "Company") has on this day resolved, under an authorization granted by the Annual General Meeting on 11 April 2019, on a directed share issue of maximum of 4,200,000 shares for a subscription price of SEK 3.60 per share.

The right to subscribe for the shares shall, with derogation from the shareholders' pre-emption rights, vest in a limited number of professional investors that have declared an interest in subscribing for shares.

Subscription of shares shall be made on a subscription list on 14 May 2019. Subscribed shares shall be paid in at the latest on 14 May 2019. The board of directors shall be entitled to extend the subscription and payment period. If the share issue is fully subscribed, the Company will obtain SEK 15,120,000 before issue costs.

The subscription price has been determined after negotiations with those entitled to subscribe, based on the listed price paid for the company's shares and the required issue discount to be able to carry out the issue.

Issue of convertibles:

The board of the Company has resolved, under an authorization granted by the Annual General Meeting on 11 April 2019, that the Company shall issue maximum of 15 convertibles each with a nominal amount of SEK 1,000,000, in total a maximum nominal amount of SEK 15,000,000. The subscription price for the convertibles will be 95% of the nominal amount of the convertibles, in total SEK 14,250,000.

Subscription of convertibles shall be made on a subscription list on 10 May 2019. Subscribed convertibles shall be paid in cash at on 10 May 2019. The board of directors shall be entitled to extend the subscription and payment period.

The loan is due for repayment on 31 May 2020, unless conversion has occurred prior to that date or the loan has been repaid as set out in the terms and conditions of the convertibles. The Company shall be entitled, from 1 January 2020 up to and including 31 May 2020, on one or more occasions, wholly or partly, redeem Convertible.

During the period from 1 May 2020 up to and including 31 December 2020, the holder of convertibles has the right to convert, in part or fully, his claim under convertibles to new



shares at a conversion price corresponding to 90% of the volume weighted average closing price for the company's share at NGM Equity during a period of ten trading days closest preceding the company's receipt of the request for conversion, however, at least SEK 1.4441. If the conversion price, calculated as set out above, is less than SEK 1.4441 when the holder of convertibles request conversion of convertibles, the holder is entitled to compensation for the difference in cash.

The right to subscribe for convertibles shall, with derogations from the shareholders' pre-emption rights, vest in a professional investor that has declared an interest in subscribing for convertibles. The conversion price has been determined after negotiation with the subscriber, based on the listed price paid for the company's shares and the required issue discount to be able to carry out the issue.

Motive for the issues:

The motive for the issues and the reasons to derogate from the shareholders' pre-emption rights is the company's need to strengthen its cash position due to investments originating from the production start of the Silver Mine and increased need of capital due to the production capacity increase during the first half of 2019. To rapidly strengthen the company's cash is important for the company's operations and its development.

Preliminary subscriptions:

By the date of publication of this release, the company has received preliminary subscriptions for both issues corresponding to the maximum amounts of the above mentioned. Thus, the issues are initially fully subscribed.

The directed share issue entails a dilution effect of approximately 3.1 percent based on the total number of shares in the Company after the directed share issue.

Advisors:

Stockholm Corporate Finance is acting as financial advisor, A1 Advokater legal advisor to Sotkamo Silver. Hagberg & Aneborn Fondkommission AB and Evli Pankki Oyj are acting as issuing agents in this Issue.

Stockholm on 10 May 2019

**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 person set out above, on 10 May 2019, 8.30 a.m..*

*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, gold and tungsten in Finland and Sweden 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): 213800R2TQW1OZGYDX93*

*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 [www.silver.fi](http://www.silver.fi)*

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