



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

Press release October 4, 2019
Stockholm 10.45 CET

**SOTKAMO SILVER AB: AUTHORITIES NOTIFIED ABOUT ANTICIPATED
DEVIATIONS FROM THE ENVIRONMENTAL PERMIT CONDITIONS AS A
CONSEQUENCE OF THE RAMP-UP PERIOD**

Press release: Stockholm, October 4, 2019, 10:45 am

Sotkamo Silver Oy has notified the monitoring authority, Kainuu ELY Center, about three anticipated deviations from the environmental permit conditions, regarding the permit conditions for annual total mining volume, sulphur concentration of the tailings and nitrogen concentration of the drainage water. In the notifications the company predicts the mining tonnage and emissions for the calendar year 2019 and their compliance with the permit and effects on the environment.

The total mining tonnage in 2019 is likely to exceed the total annual extraction tonnage of 500,000 tonnes in the current permit with around 100,000 tonnes. The 2018 and 2019 calendar year mining tonnage average is approximately 450,000 tonnes. The mining during the rest of the year will be carried out from the underground mine. The environmental impact of increased total mining tonnage was assessed in the Environmental Impact Assessment (EIA) procedure in 2017-2018. The company has submitted an environmental permit application for a higher tonnage of extraction to the Environmental Permit Authority in December 2018.

The sulphur content of the tailings sand is estimated to be higher than the permit condition during the ramp-up year due to the gradual ramp-up of the concentrating lines and optimization of the flotation process.

The nitrogen emissions from the mine for 2019 is estimated to be approximately 8,000 kg, while the total permitted load limit is 6,500 kg. According to the water modelling carried out in the context of the EIA (2017-2018), an annual load of 15 000 kg is acceptable for the receiving water areas. The company submitted an application for an environmental permit in December 2018. In the application, the load has been presented to the level estimated in the EIA procedure.

Based on the notifications, Kainuu ELY Center has required the company to bring the activities in compliance with the environmental permit in respect of the matters mentioned above. The company has to inform the authorities about corrective measures taken. Kainuu ELY Center considers that the company has provided sufficient explanations of the environmental risks of the deviations.

“The deviations reported by us have occurred during the ramp-up phase. The expected effects have been reported to the authorities. We have taken steps to remedy this”, says Timo Lindborg, CEO.

Stockholm October 4th, 2019

Sotkamo Silver AB

Timo Lindborg, CEO

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The release is given in Swedish and there may be differences in the translated versions.