



SOTKAMO SILVER AB, (NGM:SOSI)

Press release 2012-05-22

EXTRAORDINARY SHAREHOLDERS' MEETING APPROVES PREFERENTIAL RIGHTS ISSUE OF SHARES, NON-PREFERENTIAL ISSUE OF SHARES, ISSUE OF WARRANTS AND REVERSE-SPLIT OF SHARES

Today, the extraordinary shareholders' meeting in Sotkamo Silver AB resolved to approve of the boards' proposals, originally announced on 20 April 2012:

- In the approved preferential rights issue, five (5) present shares gives right to subscribe for three (3) new shares for a price of SEK 0.52 per share. Up to 155,689,160 shares will be issued. If all of the shares issued are subscribed for, the company will receive approx. SEK 81.0 million in proceeds (before transaction related costs).
- In the approved non-preferential rights issue to primarily Finnish investors, the price per share will be SEK 0.52. Up to 155,689,160 shares will be issued. If all of the shares issued are subscribed for, the company will receive approx. SEK 81.0 million in proceeds (before transaction related costs).
- In the approved issue of warrants, strike price was set to SEK 0.70. Each party that subscribes for 100 shares in the preferential rights issue or non-preferential rights issue will be allotted one warrant. Hence, up to 3,113,783 warrants will be issued, each giving right to subscribe for twenty five (25) shares at a subscription price of SEK 0.70 per share.

After the reverse-split, expected to take place in July, pursuant to the re-calculation of the terms of the warrants, each warrant will entitle to subscribe for one (1) share for a subscription price of SEK 17.5. If all of the warrants are exercised, the company will receive approx. SEK 54.5 million in proceeds (before transaction related costs).

- The reverse-split, whereby twenty five (25) shares will be joined into one (1) share was approved and will be implemented at a date set by the board of directors.
- Corresponding adjustments share capital and number of shares set out in the company's articles of association were approved, to make the share issues and the reverse split possible.
- The shareholder's meeting also resolved to reconfirm the existing authorization of the board to issue shares also after the reverse split, so that up to one (1) million shares (or other equity instruments entitling to subscribe for the same number of shares) can be issued (currently up to 25 million can be issued).



BACKGROUND

On 20 April 2012, Sotkamo Silver AB announced a proposal for a preferential rights issue, a non-preferential rights issue to primarily Finnish investors, and an issue of warrants to the parties subscribing in the mentioned share issues. Also, a reverse split, meaning that 25 shares are combined to one (1) share, was announced. Further, corresponding adjustments to the articles of association were proposed in order to make the rights issues and the reverse-split possible.

Additional terms, relating to price per share, strike price, and number of shares and warrants to be issued, were announced on 11 May 2012.

Subscription for new shares (in both issues mentioned above) shall take place during the time 1 June 2012 – 15 June 2012. The record date for the preferential rights issue is 29 May 2012.

Stockholm on 22 May 2012

SOTKAMO SILVER AB (publ)
The Board of Directors

The information provided in this press release is such that the company is required to disclose pursuant to the Swedish Securities Markets Act and/or the Financial Instruments Trading Act. This press release contains forward-looking statements, forecasts and estimates. Indications of, and guidance on future earnings and financial position and performance are also forward-looking statements. The statements and estimations are subject to risk factors associated with the mining industry. These forward-looking statements, opinions and estimates are not guarantees of future performance.

About Sotkamo Silver AB:

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

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 shares are traded at the Burgundy market place and NGM Equity in Stockholm.

The ticker symbol is SOSI. ISIN-code for Sotkamo Silver shares is SE0001057910.

*Read more about Sotkamo Silver on www.sotkamosilver.com or www.silver.fi
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