



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

Stock Exchange Release 2017-08-23
Stockholm 8.45 A.M.

THE CURRENT PERIOD (3 months, April - June)

- Net profit was KSEK -2,419 (-1,804) and earnings per share to SEK -0.04 (-0.09).
- The Group sale was KSEK 60 (0).
- Investments were during period KSEK 6,542 (2,836).
- Arto Suokas has been appointed as director of The Silver Mine
- Groundwork continues and construction planning has begun

SUMMARY OF INTERIM REPORT JANUARY - JUNE 2017

- Net profit was KSEK -7,487 (-4,457) and earnings per share to SEK -0.12 (-0.22).
- The Group sale was KSEK 60 (3).
- Cash and cash equivalents was KSEK 140,889 (11,764) at June 30th 2017.
- Investments were during period KSEK 12,332 (3,848).
- Equity was kSEK 285,025 (120,717) at June 30th 2017.
- In December 2016 EuroMin subscribed for 1,398,572 shares and the issue was registered January 2, 2017. Thereafter they have subscribed for another 1,351,533 shares.

SUMMARY OF SIGNIFICANT EVENTS AFTER THE BALANCE

- Technical Report of Silver Mine and feasibility study completed. The Report shows that the Silver Mine project is, with current assumptions and knowledge, notably profitable.
- High silver and gold concentrations at the infill drilling of the Silver Mine. Further strengthen the potential of the depth extension.
- The decision to move Blaiken concentrating plant to Sotkamo is made
- Continued negotiations with Traxys but after the publishing of the Technical Report, the Company is fortunate to have multiple financing discussions going on.
- The Warrant gives the right to subscribe for one (1) share at 4 SEK or 0.42 Euro during August 2017, if the warrants is traded in Nasdaq Helsinki, Finland.

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



MESSAGE FROM THE CEO

The first six months and up until today have been a very active period of the Company. We have published 24 press releases and three financial reports in our mission to inform the market of what's going on. With the press releases, we also would like to secure that the public gets access to the Company's information at the same time. The information usually concerns events whose expected scope or significance about the entire Company's business is judged to be able to affect the price of the Shares.

In connection with the retirement of the Company's and my long-term employee Agnetha Pernerklint, a new finance manager was appointed to the Company. During Agnetha's CFO leadership Sotkamo Silver has evolved financially very positive. The Company has moved positions from a development company to the mine's start-up phase. I would like to thank Agnetha for a good many years of cooperation, and I wish her luck in the new being. We recruited Paul Johnsson as new CFO. He has many years of experience from various administrative and financial functions. I am sure that Paul will provide the Company with valuable expertise in business and finance. We also strengthened our mining organization with an appointment of Arto Suokas to a position as Mine Director. Together, they strengthen the Company's management considerably.

The Company has worked actively during the year to ensure the financing of the Silver Mine and its production start, but these undertakings have taken longer than expected. The Company has conducted negotiations and advanced talks with several banks and financial institutions regarding a comprehensive financing solution. Throughout the year, discussions have also been held with Traxys Europe SA, which is still interested in the marketing agreement and financing of the Project. Traxys continues its highly detailed technical and economic evaluation of the project based on their starting points and business strategies.

At the same time, the publication of the "Technical Report" has enabled the Company to conduct several ongoing discussions on financing, which is the market's recognition of the quality of Sotkamo Silver's projects. We are working on several options, including for advanced talks with a major international financial institution and the Swedish Export Credit Commission (EKN) for a comprehensive financing solution, to finance technology and process equipment delivery from Outotec and enable the mine's production start.

In addition to the preparatory investments for a new access road for heavy traffic, underground infrastructure safety infrastructure, the necessary groundwork, engineering work and the Technical Report we have completed drilling programs. The drilling results provide a good prerequisite for further development of ore reserves and the increase of mineral resources in the deeper parts of the Silver Mine. The results strengthen my view that parts of mineral resources have higher metal and gold concentrations in the deep.

The Company completed a successful issue in July 2016 but needs additional funding to continue its construction work with full force. With the share issue, warrants were issued that may be exercised during the month of August. A warrant entitles the holder to subscribe for a share of SEK 4 per share or EUR 0.42 per share in Finland. If all warrants are exercised, the Company is added approximately 82.5 MSEK. If the majority of the warrants are exercised, it has great importance for the Silver Mine financing. It also provides additional funds for the company to develop the Company's operations and other incidents.

When I try to estimate the development of the silver price, I look at the gold-silver price ratio. It measures how many ounces' silver is needed to buy one ounce of gold. A high ratio means that it takes many ounces of silver to buy one ounce of gold. Today, a gold-silver ratio is around 75. It's 50% higher than the average if we look back to 1950. This is comparable to that, according to different perceptions, only 17.5 to 23 times more silver than gold in the Earth's crust.

At the same time, according to the Silver Institute, we consume more silver than that is produced. Last year was the fourth straight year as demand exceeded supply while the total silver supply fell, and not only that, for the first time in more than a decade, mining production also fell. All of this may be positive for the price of silver.

Timo Lindborg, CEO

Reporting Dates

- Interim report Q3 - November 15, 2017.
- Year-End Report 2015 - February 21, 2018.
- Annual General Meeting 2017 – March 15, 2018.

Share data

The share capital amounted to SEK 145,369,059.31. Number of shares and votes are 105,966,095. Quota value was SEK 1.37. On the last trading date, June 30, 2017, the market capitalisation was 466 mSEK and the share price was 4,40 SEK at closing-date.

The number of outstanding warrants are 20,643,198. The Warrant gives the right to subscribe for one (1) share at 4 SEK (0,42 €) in August 2017

A complete Year End Report in Swedish can be downloaded from:
<http://www.silver.fi/sivu/se/delarsrapporter/>

Stockholm, August 23th, 2017

Sotkamo Silver AB (publ)

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 CEST on August 23th, 2017.

Contact person

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

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.

ISIN- code for share warrants series 2016/2017 are SE0008373880 with the ticker symbol SOSI TO4 in NGM Equity and SOSI1EW116 in NASDAQ OMX Helsinki.

The number of outstanding warrants are 20,643,198. The Warrant gives the right to subscribe for one (1) share at 4 SEK (0,42 €) in August 2017

Legal Entity Identifier (LEI): 213800R2TQW1OZGYDX93

Read more about Sotkamo Silver on www.silver.fi

The Company's press releases and financial reports are distributed via Cision Sverige and are available on www.silver.fi

For further information please contact Timo Lindborg, CEO on +46-8-304920.