



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

Stock Exchange Release 2014-02-17
9.45 A.M.

SOTKAMO SILVER AB (PUBL) ANNOUNCES RIGHTS ISSUE OF APPR. MSEK 42.5

Summary

- The Board of Directors of Sotkamo Silver AB (publ) ("Sotkamo Silver" or the "Company") has resolved on a rights issue of approximately SEK 42.5 million, before transaction costs.
- The rights issue is up to 80% secured through subscription undertakings from shareholders and through underwriting commitments.
- The rights issue proceeds will be used to finance the continued exploration of the company's silver mine in Sotkamo.
- The rights issue is subject to approval by the Annual General Meeting, which will be held on 21 March 2014.
- The subscription period will run as from 31 March 2014 up to and including 14 April 2014.

Background and reasons

Sotkamo Silver's business concept is to exploit mineral deposits in the Nordic countries with regards 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 silver mine project in Sotkamo.

The Board of Directors has resolved on a rights issue of approximately SEK 42.5 million (before transaction costs) in order to secure financing for the continued exploration and development of the company's silver mine in Sotkamo.

The rights issue

The Board of Directors has resolved, subject to the Annual General Meeting's approval, to increase the Company's share capital with a maximum of SEK 42,478,902 (based on a quota value of SEK 6 per share) through issuing a maximum of 7,079,817 shares.

Shareholders of the Company registered in the share register kept by Euroclear Sweden on 26 March 2014 shall have pre-emptive right to subscribe for the new shares in relation to the number of shares they own. The shareholders will for every share they own in the company receive one subscription right. Two subscription rights will entitle to subscribe for one new share in the company. The new shares will be issued at a subscription price of SEK 6 per share.



Subscription for new shares shall be made during the period from 31 March 2014 to 14 April 2014. Subscription for new shares with subscription rights shall be made by simultaneous cash payments. Subscription for shares without subscription rights shall be made on a separate subscription list. Payment for shares subscribed for without subscription rights shall be made in cash at the latest three (3) banking days after notification of the allocation of new shares has been sent to the subscriber. The Board of Directors shall have the right to prolong the subscription period and the time for payment.

Should not all shares be subscribed for with subscription rights, the Board of Directors will decide on allocation of shares subscribed for without subscription rights. Allocation will then be made firstly to those who have subscribed with subscription rights, regardless whether the subscriber was a shareholder on the record day or not, and, in case of over-subscription, in relation to the number of subscription rights used for subscription and, if this is not possible, by drawing of lots. Secondly, allocation will be made to others who have subscribed for shares without subscription rights and, if they cannot receive full allocation, in relation to the number of shares notified for subscription by each one of them, and, if this is not possible, by drawing of lots. Lastly, any remaining shares shall be allocated to the guarantors who have undertaken to subscribe for shares. Allocation shall in such case be made in accordance with such guarantee agreements.

The Board of Directors has also resolved to present proposals at the Annual General Meeting to resolve on necessary changes in the Company's Articles of Association etc. in connection with the rights issue.

Subscription and guarantee undertakings

The rights issue is up to 80 per cent guaranteed by subscription undertakings from the company's shareholders' Teknoventure Oy, Finnish Industry Investment Ltd and Ilmarinen Mutual Pension Insurance Company and by underwriting commitments.

Preliminary time table for the rights issue

- 21st March 2014 - The Annual General Meeting resolves on approval of the Board of Directors' rights issue resolution
- 21st March 2014 - Last day of trading in the Company's share including subscription rights
- 24th March 2014 – The Company's share is traded excluding subscription rights
- 26th March 2014 - Record date for allotment of subscription rights
- 28th March 2014 - Estimated date for publication of the prospectus
- 31st March 2014 – 9 April 2014 - Trading in subscription rights
- 31st March 2014 – 14 April 2014 - Subscription period (subscription through payment)
- 31st March 2014 – The registering of the rights issue at the Swedish Companies Registration Office – Trading in paid subscribed shares (*swe: BTA*)
- 23th April - Announcement of the preliminary outcome of the rights issue



Advisors

Stockholm Corporate Finance is acting as financial advisor. A1 Advokater and Peltonen LMR Attorneys Ltd are acting as legal advisors to Sotkamo Silver.

Sotkamo Silver AB (publ) discloses the information provided herein pursuant to the Swedish Securities Markets Act and/or the Financial Instruments Trading Act.

The official Stock Exchange Releases are given in Swedish and there may be slight differences in the translated versions..

Stockholm on 17th February 2014

SOTKAMO SILVER AB (publ)

Important information

The information in this press release is not an offer to acquire, subscribe or otherwise trade in shares or other securities in Sotkamo Silver. Any invitation to the persons concerned to subscribe for shares in Sotkamo Silver will only be made through the prospectus that Sotkamo Silver expects to publish on 28 March 2014.

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No paid subscribed shares or shares issued by Sotkamo Silver ("Securities") have been registered, and will not be registered, under the United States Securities Act of 1933 (the "Securities Act") or the securities legislation of any state or other jurisdiction in the United States, and may not be offered, pledged, sold, resold, delivered or otherwise transferred, directly or indirectly, within the United States or to U.S. persons as defined in Regulation S under the Securities Act ("Regulation S"). The Securities are being offered outside the United States in reliance on Regulation S. There will not be any public offering of Securities in the United States or to U.S. persons.



About Sotkamo Silver AB (publ)

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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 and SOSI1 in NASDAQ OMX Helsinki. 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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