



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

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YEAR END REPORT

CURRENT REPORTING PERIOD (3 months, October - December)

- Net result was -5 160 KSEK (-360) and earnings per share -0.25 SEK (-0.02).
- Group sale was 177 KSEK (449).
- Investments during the period October – December was 963 KSEK (3,055).
- Improved conditions related to the loan from TEKES.
- Taaleritehdas subscribed for convertibles in Sotkamo Silver at an amount of 14.1 MSEK and in addition to that they granted a guarantee.
- Arttu Ohtonen was appointed Managing Director for the Finnish subsidiary

THE 12 MONTHS PERIOD JANUARY TO DECEMBER 2015

- Net result was -11,660 KSEK (-5,407) and earnings per share SEK -0.56 (-0.28).
- The Group sale was 623 KSEK (1,046).
- Cash and cash equivalents was 12,741 KSEK (21,339) as of December 31th 2015.
- Equity was 124,757 KSEK (136,561) as of December 31th 2015.
- Investments during the period was 15,589 KSEK (10,101).
- High silver- and gold-grades were encountered in drilling at the deep extension of the Silver Mine deposit.
- Excellent exploration targets in Mo i Rana in Norway.
- Sotkamo Silver purchased the Blaiken plant.
- A 85 MSEK financing was offered from TEKES as a development loan.
- Tests confirmed the efficiency of the ore sorter at the Silver Mine.

SUMMARY OF SIGNIFICANT EVENTS AFTER THE BALANCE

- Sotkamo Silver's financing- and delivery agreement with ABB has been extended.
- Silver content of the ore-reserves has increased by 22%.



The report is prepared based on the assumption of continued operation, even if there are significant uncertainties that may cause doubt on the Company's ability to continue operations. As the Company is a development-company, a so-called "Junior mining company" it has no turnover based on mining and there are a number of uncertainties about the Company's financing

Comparable figures correspond to previous year's income statement and cash flow items and December 31st, 2014 balance sheet. All amounts are in kSEK, unless otherwise stated, as all amounts are rounded off, rounding differences may occur.

MESSAGE FROM THE CEO

During 2015 the silver-price trend was promising until May. I looked positive at the situation and Sotkamo Silver prepared to conduct a final mine-financing during the summer. Unfortunately the market turned for precious metals, and therewith also the silver-market. The silver-price started to fall down to the 14 USD/ounce level and it has remained there ever since. The lowest silver price during 2015 was 13.82 USD/ounce. This caused very low interest in investing in mining projects, both international and in the Nordic countries. At the same time, however, the dollar was strengthened against the euro and the Swedish krona. This mitigated the effect of the price reduction to some extent.

In this situation we took measures to respond to the changing market conditions. We bought the Blaiken-plant, and this acquisition estimate to reduce the total capital need for the Silver Mine project by approximately 65 million SEK (7 M€). To improve the Silver Mine's technical conditions, we decided to develop the ore-treatment technology by implementation of ore sorting, industrial internet and new productions-methods for the Mine of the future. We have conducted technical tests to increase ore-grade and metal-content in the mill-feed at the beneficiation plant with ore-sorting and therewith increased the average silver-content with 22 % in the mill-feed to the beneficiation plant. This improve the profitability further. The updated feasibility-study with financial results will be published during the spring.

To prepare us further, we have also secured a part of the funding with a 9.4 euro million loan-commitment from Tekes, 5 million euro in ABB delivery-funding plus a 3 million euro underwriting from Taaleri.

These are very important steps at the final funding of the Silver Mine Project.

Many smaller mining companies have been passive during the year and concentrated on surviving, while we have been active. With implemented measures, we have succeeded to respond to those requirements that the new silver-price level sets for the



project. Therewith, we can positively influence the market's willingness to invest when the final investment package is put together. It is also clear that the current market-situation offer a good opportunity, because when the market turns, we will be well prepared to take advantage of it.

I would like to say thank you to our shareholders who have supported our activities with funding, so that we have been able to develop the project. I also want to say thank you to the staff and consultants who have worked hard so that we have been able to respond to the markets latest demand with steps taken during 2015.

Timo Lindborg

Reporting Dates:

The Annual Report will be published in February 25th 2016.

Annual General Meeting - March 17th 2016 at 10 a.m.; Radison Blu Strand Hotel, Nybrokajen 9 Stockholm.

Interim report Q1 - May 25th 2016.

Interim report Q2 - August 24th 2016.

Interim report Q3 - November 16th 2017.

Year End Report 2015 - February 15th 2017.

Annual General Meeting – March 23th 2017.

Share data

The share capital amounted to SEK 141,596,341.47. Number of shares and votes are 20,643,198. Quota value was SEK 6.86.

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

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

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

Stockholm, February 12th 2016

Sotkamo Silver AB

Timo Lindborg, CEO



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The Company's press releases and financial reports are distributed via NGM and are available on www.silver.fi . For further information please contact Timo Lindborg, CEO on +46-8-304920.

www.silver.fi

About Sotkamo Silver AB:

Sotkamo Silver AB'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 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.

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

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