



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

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Stockholm 9.00 A.M.

SUMMARY OF INTERIM REPORT JANUARY - JUNE 2016

THE CURRENT PERIOD (3 months, April - June)

- Net profit was KSEK -1,804 (-1,624) and earnings per share to SEK -0.09 (-0.08).
- The Group sale was KSEK 0 (433).
- Investments were during period KSEK 2,836 (1,981). On June 30, It was received a payment of EUR 1.3 million relating to the sale of the power line on July 1st

SUMMARY OF INTERIM REPORT JANUARY - JUNE 2016

- Net profit was KSEK -4,457 (-6,205) and earnings per share to SEK -0.22 (-0.30).
- The Group sale was KSEK 3 (422).
- Cash and cash equivalents was KSEK 11,764 (12,741) at June 30th 2016. It was received a payment of EUR 1.3 million relating to the sale of the power line on July 1st
- Investments were during period KSEK 3,848 (3,464).
- Equity was kSEK 120,717 (124,757) at June 30th 2016.
- Financing- and delivery agreement with ABB has been extended
- Silvercontent of the ore-reserves have increased by 22%.
- Updated economic estimates of the silver mine project.
- Updated feasibility study completed for the Silver Mine.

SUMMARY OF SIGNIFICANT EVENTS AFTER THE BALANCE

- Sotkamo Silver has sold its power line
- The preferential share issue has been fully subscribed. The issue was fully subscribed.
- Sotkamo Silver appoints Erkki Kuronen as chief geologist
- Sotkamo Silver have repaid the convertible loan to Taaleri inclusive interest

The comparative numbers relates to the corresponding period of the previous year's income statement and cash flow items and December 31st 2015 for Balance Sheet items.



MESSAGE FROM THE CEO

It was a positive second quarter 2016, both for the Company and the silver-market.

The present global macro-economic climate give very positive signs for the future, with low interest rates and mining companies' market value on the words main stock markets. Increase of the silver price from the year end has been better than expected. This has given a very positive boost on market values, where the ETF index-fund, SIL for silver-mining companies has increased by more than 240 % since January.

At the updated feasibility study such economic figures and measured mineral reserves that was based on consensus pricing estimates from the year end 2015/2016 was used. Since then the silver-price has been much more positive than expected and are at the moment of writing at the level that was expected to be reached during 2022. Nevertheless, most crucial for the Company is the silver price when production is reached.

Subscription level at the preferential share issue was 100%. The Company received approximately 186 MSEK, before issue costs for construction of the Silver Mine. To reach the operation phase, a total of 320 MSEK is needed. The Company believes that remaining part of the required funding will be financed through debt instruments and supplier financing.

The ambition is that all building- and construction activities should be complete during autumn 2017. Mining is scheduled for last quarter 2017, with the aim to reach full production during the first half of 2018.

The Company has ore reserves for production during six years, initially. Additionally, the Company has mineral resources and exploration potential with good possibilities to be upgraded to ore-reserves.

We are now facing a very stimulating period to build up the Silver Mine, together with Sotkamo Silver's competent employees.

In order to be prepared, we have started detailed planning work and are now looking for personnel for senior positions at the mine at Sotkamo. The first recruitment has been completed and geologist Erkki Kuronen will join us at the beginning of October. Erkki Kuronen is a very competent mining- and production geologist and he will strengthen our organisation considerably with his 20 years of experience.

Sotkamo Silver's geological and industrial fundamentals are excellent and we look forward to many years of successful mining in the Silver Mine and its neighbourhood.

Timo Lindborg, CEO

Reporting Dates

- Interim report Q3 - November 16th 2017.
- Year End Report 2016 - 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 on 30th June. Quota value was SEK 6.86. Company valuation on 30th June was about SEK 122 M.

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, 24th August 2016

Sotkamo Silver AB

Timo Lindborg, CEO

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.

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.

ISIN- code for share warrants series 2016/2017 are SE0008373880

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

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