



Activities in year 2014 and plan for 2015 at Mofjell Mine area

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Sotkamo Silver AB (Publ)

Sotkamo Silver AB is listed at NGM stock exchange in Stockholm and secondary listed at Nasdaq OMX Helsinki; headquarter is located in Stockholm, Sweden. A technical office is situated in Finland close to the Silver Mine in Sotkamo.

Sotkamo Silver develops silver, gold and zinc deposits in the Nordic region. Main owners are Finnish Industry Investment (state of Finland), Teknoventure Oy and an insurance company, Ilmarinen.

Activities in Mofjell mine area in 2014

Company personnel have visited the Mofjell mine and exploration area together with a NGU-geologist who has been involved into exploration studies for about 15 years and has excellent knowledge of the target area.

During the visit personnel from Terrateam AS was met and mine was visited in order to get acquainted with present status and condition of the mine. Terrateam AS is back-filling out-mined stopes with non-hazardous industrial waste. They also take care of water pumping and maintenance of the mine, thus it is in good condition and it is possible to continue investigations or mining when actual.

Exploration team of Sotkamo Silver has compiled and evaluated available exploration material and has prepared a short summary of the Mofjell Mine and other targets in the area to serve as basis for future actions.

Plans for 2015 (-2018)

Sotkamo Silver will establish a subsidiary in Norway to be able to continue investigations in the area, all mining rights and other assets will be transferred to this NewCo.

Company exploration personnel will visit NGU's drill-core farm to evaluate drill-cores of Mofjell mine and exploration targets and to take additional samples for analyzing, if necessary.

Drilling information from Mofjell mine will be compiled and a database will be created to enable geology and resource modelling of the deposit for further planning.

Additional sampling of gold-critical zones which NGU has delineated in Mofjell Mine; this job to be performed by utilizing NGU experience.

Field visits to selected prospects will be done for sampling and familiarizing; this exercise to be done together with NGU specialists. This visit will clarify potential and possible obstacles of these targets. Targets in Mo I Rana area are important assets for Sotkamo Silver.



Sotkamo Silver aims to continue exploration in the area by finding opportunities for cooperation with the goal to start mining in Norway.

Summary

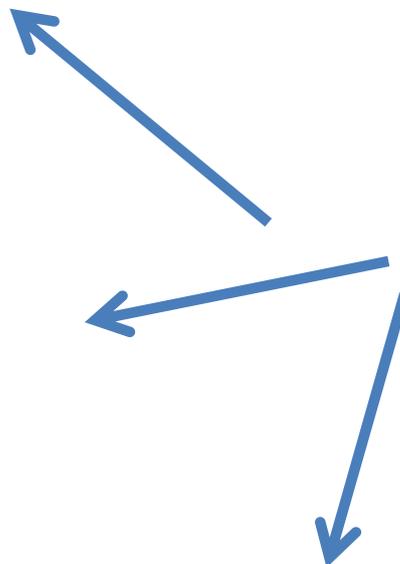
Remaining mineral resource in Mofjell mine is estimated to be 3.16 Million tons at 2.5% zinc, 0.4% lead and 0.3% copper and additionally small amounts of silver and gold. This resource is a direct continuation to existing workings. Historical mine production from Mofjell mine in 1928-1987 has been 4.35 Mt ore containing 3.61% zinc, 0.71 % lead and 0.31 % copper; 10 g/t silver and 0,3 ppm gold. (source NGU report 2013.48; PM Gexco 070329). The mine is water-free and available for mining with short preparation time. Length of existing production tunnels is 4 km; tunnel is in good condition thanks to Terrateam AS maintenance.

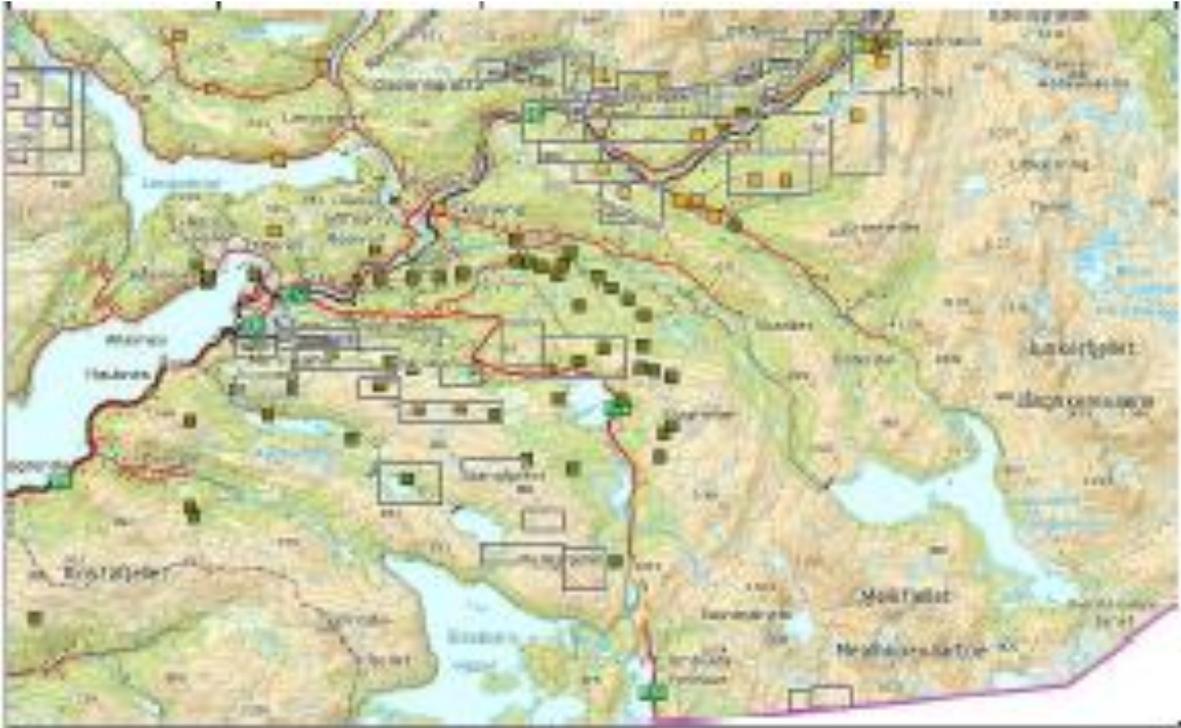
After mine closure a co-operation project with Nordland County, NGU and Gexco AS was established to study Mofjell and other deposits which presently belong to Sotkamo Silver AB.

As outcome of the project are all data concerning Mofjell Mine and more than 200 prospects and ore showings presented in a final report of the project together with detailed maps and priority listing of targets. This report is of high value if presenting deposits in the target area to possible partners or other parties. http://www.ngu.no/upload/Publikasjoner/Rapporter/2013/2013_048.pdf

Background

Sotkamo Silver has recently 20 valid exploration claims at Mofjell and surrounding areas next to Mo I Rana, locations of the claims are displayed on the map below. Sotkamo Silver has leased five mining concessions from State of Norway over Mofjell mine area. Besides that the company has 14 claims covering 93 prioritized sulfide occurrences in the Mofjell group. Additionally there are four claims in the upper part of the map (below arrow) in iron deposits area, focusing on possible gold associated with iron deposits. In the lowest part of the map there are two claims in area of Umbukta gabbro complex covering geophysical anomalies in this rock unit, these anomalies are thought to have potential for nickel or platinum-group elements.





Co-operation project at Mofjell mine and surroundings

Mofjell and surroundings were covered by a co-operation exploration project of NGU (Norwegian Geological Survey), county administration of Nordland and GEXCO Norge AS. Project commenced in 2008 and most fieldwork was done in 2008 and 2009. Investigations of collected material and reporting have been completed after this field work in 2010. Sotkamo Silver AB took GEXCO's place 2010 and became the project owner.

Project area covered Mofjellet and eastern part of Plurdalen, an area with high potential for economic sulfide deposits containing Zn, Cu, Pb, Ag and Au. Studies by NGU have focused on the geological settings of the Mofjell Group and its relation to ore formation. Main goal has been to assess potential for economic sulfide deposits in the area, inclusive enrichment of precious metals. The work included airborne, high-resolution geophysics as a basis for follow-up field work on anomalies, and sampling and diamond drilling by NGU and Gexco.

Drilling in Mofjell and exploration targets

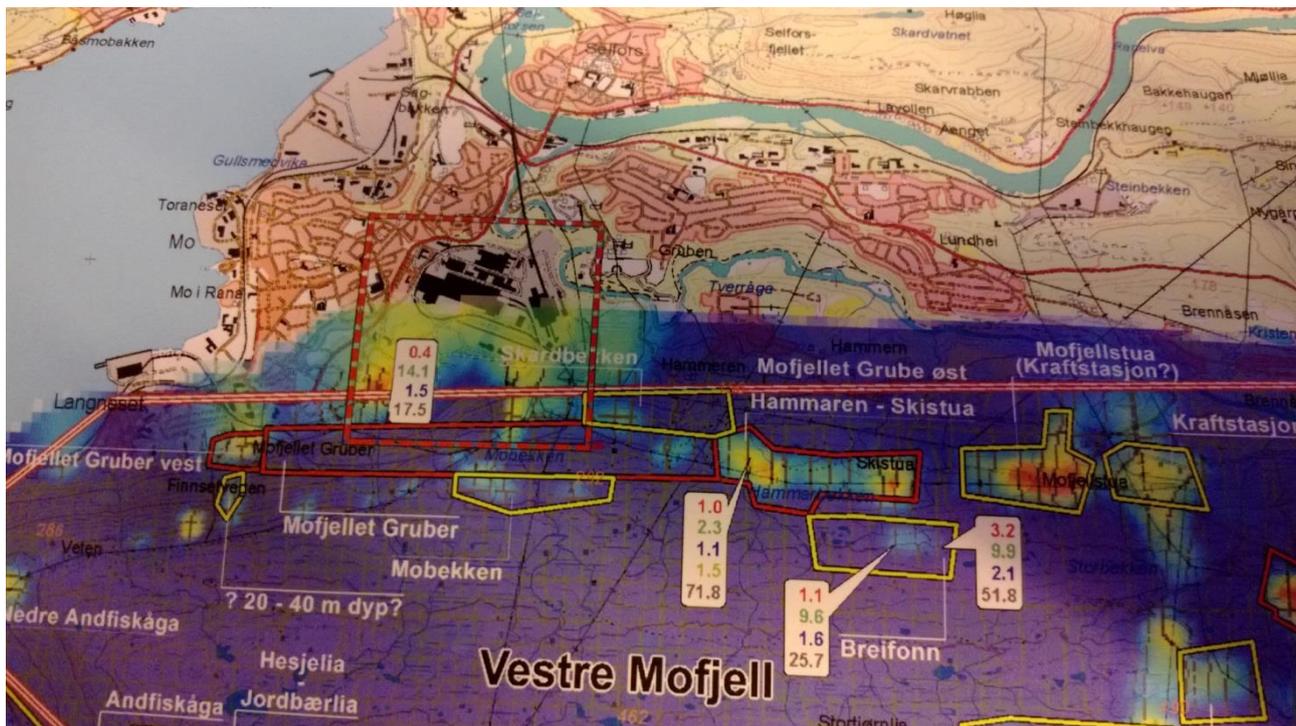
During the co-operation project in the Mofjell mine and adjacent areas drilling campaigns by NGU and Gexco were performed, focusing was on the other hand into anticipated gold-rich areas in the mine, on the other hand into new targets in the exploration area. During the project also earlier drill-holes have been re-investigated. Altogether at least 147 holes has been drilled into the target area, of a total of 16 406 meters. Drilling statistics on appendix table below (source NGU status-rapport 2008.088).

| Forekomst | Antall borkjerner | Lengde | Lengde lagret |
|---------------------|-------------------|--------|---------------|
| Bertelberget | 2 | 128 | 128 |
| Breisnølien | 2 | 140 | 140 |
| Grønnfjelldalen | 1 | 40 | 40 |
| Hammeren | 1 | 110 | 50 |
| Hauknestind | 4 | 560 | 560 |
| Heramb | 3 | 60 | 60 |
| Hesjelia | 2 | 100 | 100 |
| Kjempeheia | 7 | 510 | 510 |
| Kvernbekktjern | 1 | 60 | 60 |
| Mos gruve | 2 | 40 | 40 |
| Nasafjell | 20 | 840 | 840 |
| Plura | 7 | 726 | 726 |
| Rauvatnet | 5 | 390 | 390 |
| Reinfjellet | 3 | 110 | 110 |
| Rognhaugbekken | 14 | 745 | 737 |
| Sølvberget | 15 | 4105 | 3108 |
| Mofjellet | 58 | 7742 | 4603 |
| Sum eks. Mofjellet | 89 | 8664 | 7599 |
| Sum inkl. Mofjellet | 147 | 16406 | 12202 |

Airborne Geophysics

Airborne TEM geophysics covers totally some 500 km²; flight line spacing has been 150 meters, thus total flight meters are ca 4 000 kilometers. In the picture below of investigation area with flight areas (blue) and geophysical anomalies (red-yellow).

Present status of Mofjell mine and surroundings



Detail picture of Mofjell mine area, geophysical anomalies and metal contents (Cu,Zn,Pb,Au,Ag) displayed.

Post-mining resource estimate gives total potential to be ca 3.16 Million tons mostly inferred resource, grades Zn 2.5%, lead 0.4% and copper ca 0.3%. Amount of silver is in the order of 10 g/ton and that of gold ca 0.3 g/ton. In the sulfide-disseminated parts of the deposit there are gold values 5 to 10 ppm; anyhow they have not been investigated in detail but offer a promising target for future work. Another promising target in this highly prospective area is Solvberget (Silver Mountain) with occasionally high silver-contents up to 100-300 g/ton associated with galena-rich veins.

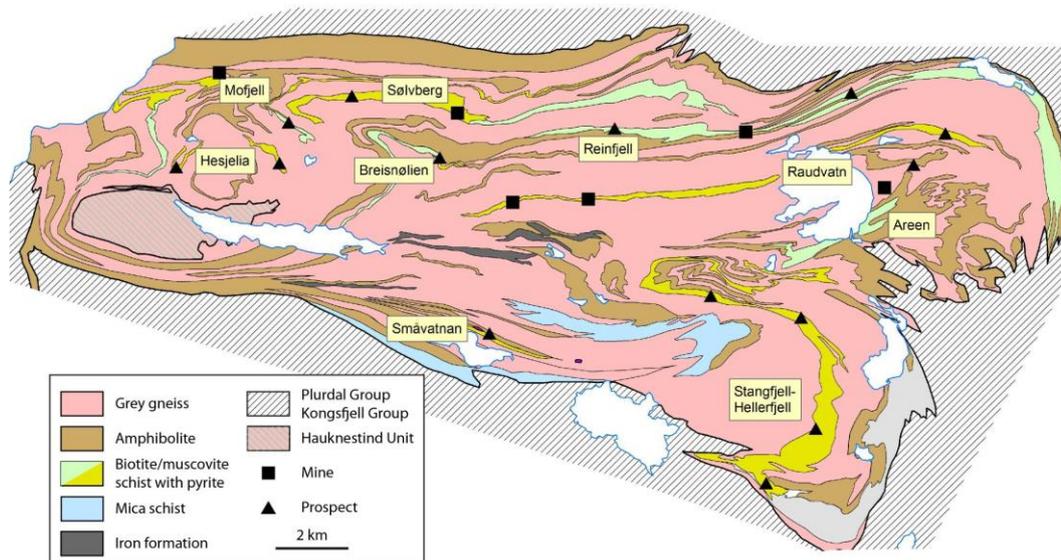
Bimodal volcanic association containing basalts and felsic volcanic rocks as well as occasionally high gold and silver values are a common feature with company's main target Sotkamo Silver Mine in Finland.

Due to co-operation project the Mofjell area and surrounding exploration claims are presently better known than during the merger of MoMin, and exploration can be focused into most promising targets. Also, with present new information and target setting in Mofjell is a valuable asset for Sotkamo Silver in possible co-operation or merger negotiations. Out-mined parts are presently back-filled with industrial waste, thus water pumping and other maintenance keeps the mine dry and available for possible continuation of mining. Total drifting in the mine in three levels is ca 4000 meters, giving access to available remaining resources after modelling and mine planning.

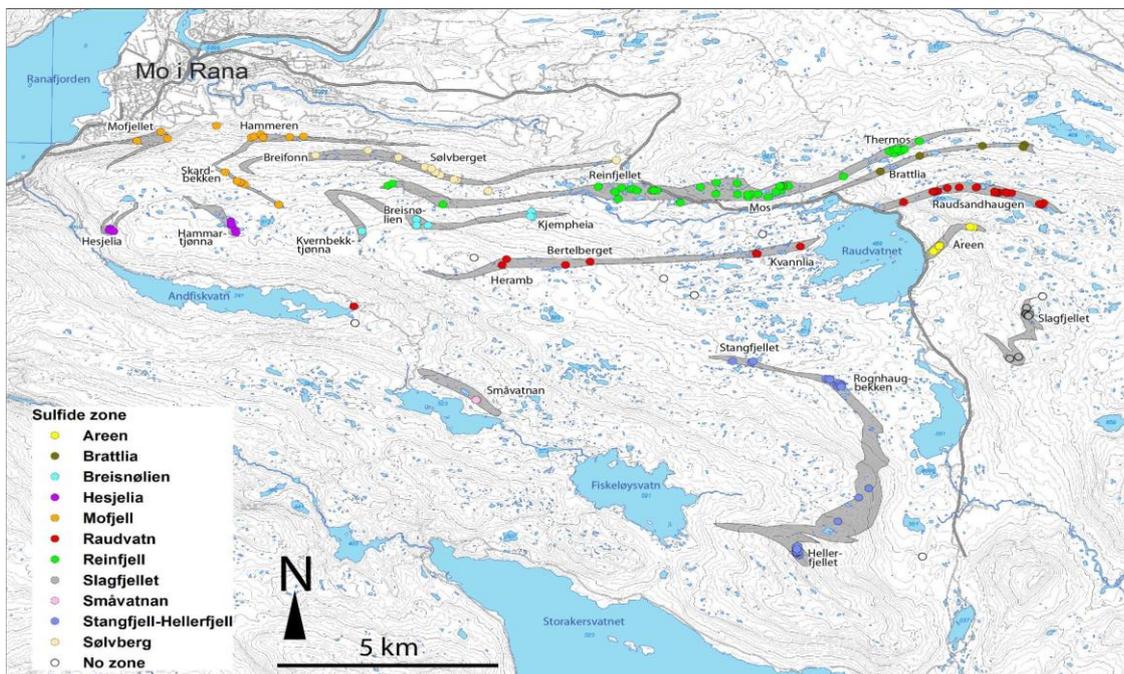
As outcome of the co-operation project all data concerning the Mofjell Mine and more than 200 prospects and ore showings is presented in a final report of the project with detailed maps showing the continuity of the mineralized zones. Exploration claims of Sotkamo Silver cover 93 highest prioritized from these targets. This report is of high value while presenting target area to possible partners or other parties.

Maps of the study area presenting bedrock and individual targets (source NGU report 2013.048)

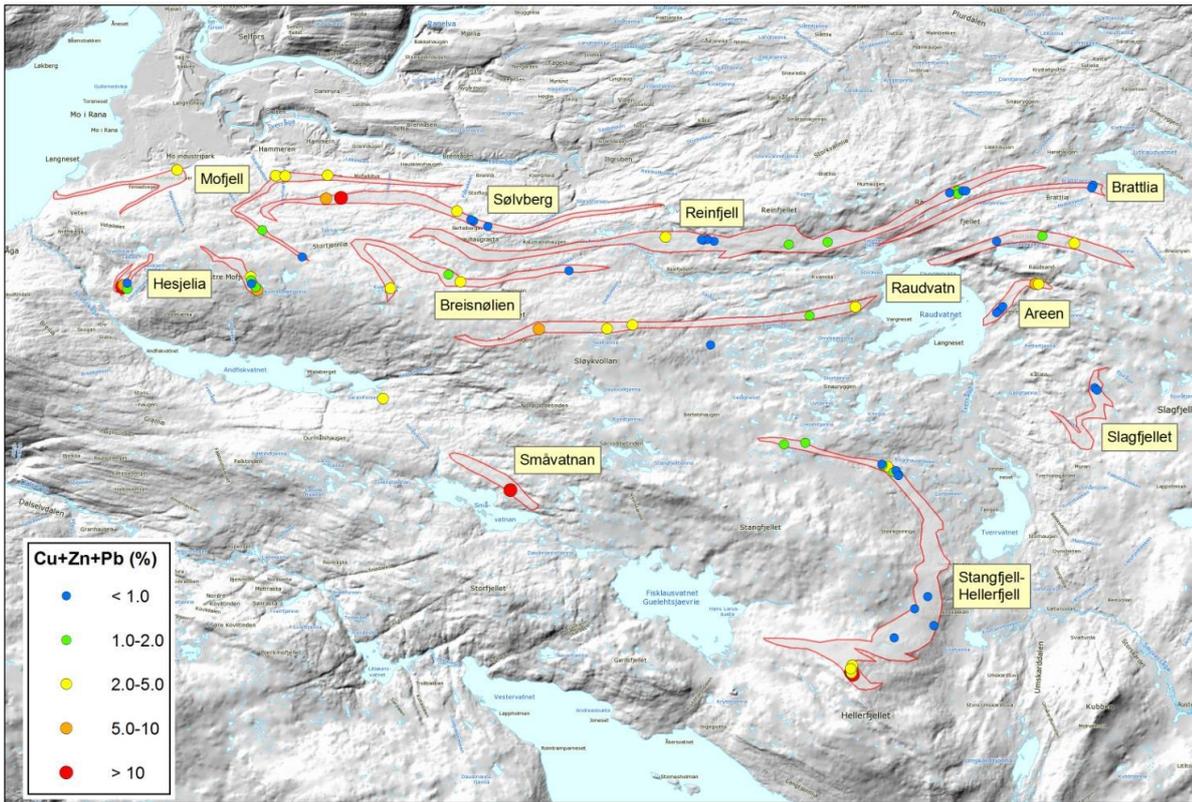
Bedrock and main sulfide occurrences and zones



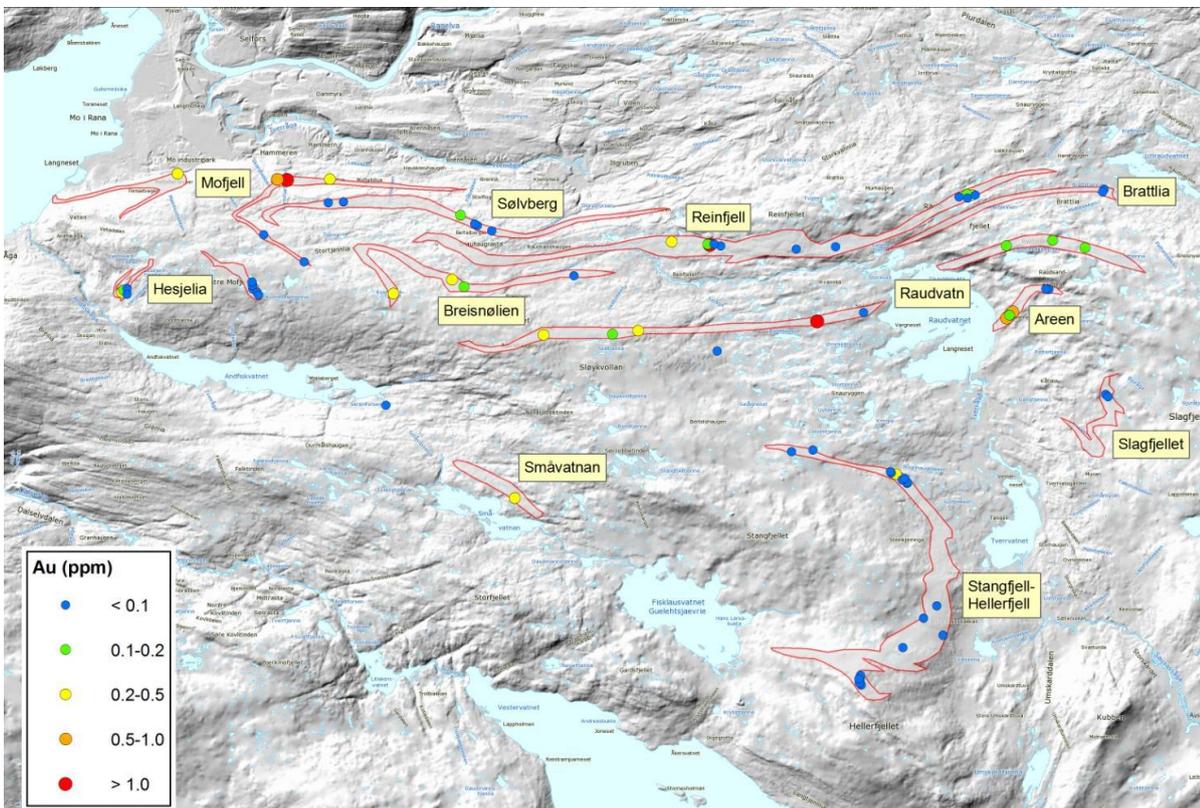
Sulfide zones



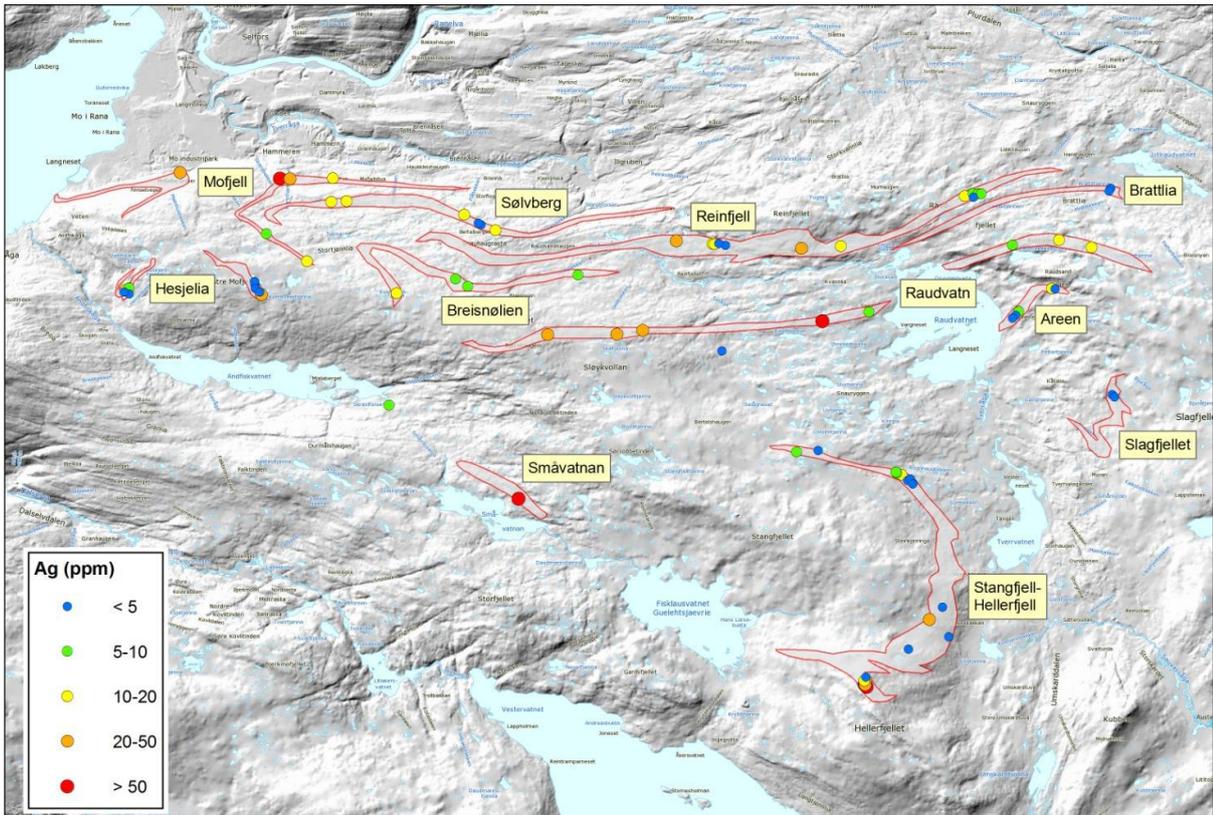
Copper + Zinc + Lead content in individual deposits



Gold values in individual deposits



Silver Values in individual deposits



Mofjell mine access

