

Year-end report

January - December 2008

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- On 18 June, the Swedish Environmental Court approved Dannemora Mineral's application to engage in mining activities in Dannemora. The ruling has the force of res judicata and cannot be appealed.
- In Q1 2008, Dannemora Mineral AB conducted a feasibility study of the planned operations in the Dannemora mine, which showed the project has sound financial viability.
- Dannemora Mineral completed a private placement during the Q2, which brought the company SEK 155 million before issue expenses. A total of 3,100,000 shares were subscribed for at a share price of SEK 50.
- In Q1, the Board of Dannemora Mineral appointed Staffan Bennerdt as new CEO of the company with effect from 1 April.
- Profit/loss after net financial items amounted to SEK -22.7 (-10.2) million in 2008. Profit/loss for Q4 2008 was SEK -9.4 (-5.3) million.
- Cash flow from operating activities during 2008 was SEK -20.5 (-7.8) million. Cash flow for Q4 2008 was SEK -1.6 (-2.2) million.
- Investments in 2008 amounted to SEK 65.7 (17.6) million, and in Q4 2008 to 21.5 (1.9) million.
- Cash & cash equivalents at 31 December 2008 were SEK 148.6 (63.7) million.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- In February 2009, rock work in the Dannemora mine began with ramp placement and development work, which will generate iron ore starting in Q2. The ore is mainly intended for use in trial deliveries to potential customers.
- In February 2009, Dannemora Magnetit signed a letter of intent for future iron ore deliveries with three European steel companies.
- On 13 January 2009, Dannemora Magnetit AB and a number of interested parties signed a declaration of intent with the Swedish Rail Administration on the renovation of the railway line on the Örbyhus – Dannemora – Hargshamn – Hallstavik section, which will bring Dannemora cost-efficiency and environmental advantages.

On 1 April, Staffan Bennerdt was appointed CEO of Dannemora Mineral AB and President of the Dannemora Group. Staffan Bennerdt has a degree in economics and extensive experience from senior positions in the mining and constructions industries.

In the second quarter of the year, an incentive scheme comprising warrants and share options was introduced for CEO Staffan Bennerdt and other key management personnel.

With effect from 1 January 2009, responsibility for the Group's exploration activities was transferred to Dannemora Magnetit AB, where exploration and mine planning now form a separate division.

DANNEMORA MAGNETIT AB

Market conditions

The global economy continues to weaken, with the entire western economy experiencing a slowdown in growth. The situation has been exacerbated by the present crisis in the financial system. Massive financial stimulus packages have been launched in the USA, China, G7 and the EU aimed at retaining jobs and generating employment, particularly in infrastructure, creating confidence in banks and restoring stability on the financial markets.

Total world steel production in 2008 was 1,329.7 million tonnes, which is a decline of 1.2% on the 2007 figure. However, China's steel production rose by 9.3% during 2008. The figures show that 2008 was the third year running in which world steel production exceeded 1,300 million tonnes.

In view of the global decline, particularly in European steel production, world steel production for 2009 is expected to be lower than in 2008.

However, the Chinese steel industry's stocks of steel and iron ore have plummeted in recent months, while spot prices of imported iron ore have risen from approx. USD 65 per tonne to approx. USD 84 per tonne in the course of four months. This should be compared with 2008 benchmark prices (annual agreements) of approx. USD 90 per tonne.

The 2009 contractual negotiations between the large iron ore producers and steel customers in Asia are now in progress and the 2009 benchmark prices are expected to be lower than the benchmark prices for 2008.

Letter of intent with steel companies

In February 2009, Dannemora Magnetit signed a letter of intent with three steel companies in Europe. The letter of intent expresses the parties' intention to negotiate a long-term, binding contract for future iron ore deliveries from the Dannemora iron ore mine.

The three steel companies' total annual iron ore consumption is 25 million tonnes. Dannemora Magnetit is planning annual production of 1.5 million tonnes at full capacity.

Feasibility study

The independent consultancy companies ARRC Geoconsulting AB, Vattenfall Power Consultant AB and PROing H & J AB carried out a feasibility study on behalf of Dannemora Mineral AB regarding resumption of operations in the Dannemora mine. The results were published in January 2008 (press release dated 28 January 2008). The study showed that the project is clearly financial viable and represents good technical and financial support material for pursuing the project further.

Agreement with Östhammar municipality

At the beginning of 2008, Östhammar Municipality transferred an area of land of approx. 400 ha from the municipality's private limited company Dannemora Gruvfastigheter to the Dannemora Group's newly established subsidiary Dannemora Förvaltnings AB. The last area of land was later acquired, which now covers all the land and installations needed by Dannemora Magnetit to make the Dannemora mine operational again. This includes the former industrial area around the mine headframe and processing plant, and Gruvsjön. The purchase meant that Dannemora Mineral was able to take over ownership of buildings and installations important to mining operations (such as the mine headframe, workshops, warehouses and ore storage sites), as well as office and residential buildings.

Responsibility for certain environmental issues is also regulated under the purchase agreement, with Östhammar municipality responsible for any environment damage caused by previous operations and Dannemora responsible for any environment impacts associated with the planned future mining operations.

New CEO

On 1 June, Kjell Klippmark was appointed new CEO of the subsidiary Dannemora Magnetit AB. Lars Alm stepped down from his position as CEO of Dannemora Magnetit AB, but remains as Deputy CEO of the company and has also taken up a new appointment as CEO of Dannemora Förvaltnings AB.

Environmental licence

On 18 June, the Swedish Environmental Court approved Dannemora Mineral's application to conduct mining activities in Dannemora, which meant the company was able to begin the time-critical installation work needed for the planned operational start-up in autumn 2009. The licence relates to the mining and processing of up to 2.0 Mt of lump ore and fines annually. The court's decision means Dannemora Mineral now has the two fundamental official authorisations required to engage in mining activities,

Dannemora Mineral has had an exploitation concession for the Dannemora field for some time, and with the land allocation agreement received in December 2008, Dannemora Mineral has now obtained all the official authorisation needed for the planned activities.

Mine pumping

In June 2008, Dannemora Magnetit signed a contract for pumping out the Dannemora mine with a consortium comprising ITT Water & Wastewater AB and Contector AB. The consortium started mobilisation work after summer and the project is progressing according to the defined schedule.

The pumping out of the water begins in the second quarter of 2009 and is expected to be completed during spring 2010. Ore mining and production are scheduled to take place gradually as the mine is emptied of water. The Dannemora mine is filled with water up to a level of approx. 315 m at present.

Sintering tests

Chemical, physical and metallurgical tests on Dannemora's iron ore products, fines and lump ore were performed in spring at the famous SGA (Studien-Gesellschaft für Eisenerz-Aufbereitung) research centre in Liebenburg-Othfresen in Germany. Following these initial metallurgical tests, extensive sintering testing was carried out in summer, which included an evaluation of how Dannemora's ore sinters with ore from other iron ore producers.

The results of these test programmes are now in and show that products from Dannemora are suitable for the blast furnace processes of future steelworks customers. The sintering test results also form the basis of detailed technical discussions with a number of potential customers in Northern Europe.

Rock work

In the third quarter of 2008, Bergteamet AB was engaged for ramp placement and initial development work in the Dannemora mine. Mobilisation work began in the fourth quarter of 2008, with ramp placement starting in February 2009. The work will be completed in early 2010.

The new ramp will connect the existing ramp at the Ströms ore with the mine's main level. The ramp, which will connect levels 162 m and 350 m, will be approx. 1,600 metres long. The new ramp will open up the whole mine to transportation, while the facility to bring the ore up from the mine by truck via the ramp will ensure an early production start. The dimensions of the new ramp will be 7 by 5 metres.

The agreement also includes approx. 700 metres of tunnelling for development prior to the start of production. The development work will be carried out in the Ströms ore, which is one of the ores that will be mined in the early production years.

The new ramp and development headings will generate approx. 50 thousand tonnes of iron ore. This iron ore will be processed in a mobile crushing, screening and magnetic separation plant, for the purpose of making trial deliveries to customers. As the total need for crude ore outstrips the amount generated in the development, caving of 100 thousand tonnes of iron ore will also be initiated. Dannemora Magnetit is also currently investigating the feasibility of selling iron ore and other materials from the rock work. These sales could provide the company with early revenues and cash flows.

Declaration of intent with the Swedish Rail Administration

On 13 January 2009, the Swedish Rail Administration, Dannemora Magnetit AB, Hargs Hamn AB, Holmen Paper AB, Östhammar municipality, Norrtälje municipality and the Regional Council of the county of Uppsala signed a declaration of intent on the renovation of the railway line on the Örbyhus – Dannemora – Hargshamn – Hallstavik section. The declaration of intent ensures renovation of the railway line, which will be required in order for the ore to be transported by rail – a form of transport which brings cost-efficiency and offers environmental advantages.

The Swedish Rail Administration has undertaken to implement and finance the renovation of the section and the upgrading of the traffic control system. The Swedish Rail Administration has estimated the costs of this work at SEK 100 million. Dannemora Magnetit has undertaken to implement and finance the upgrading of the branch line from the Dannemora mine to the main line. The Swedish Rail Administration has estimated the costs of this work at SEK 10 million.

The feasibility study was based on transportation of the ore by lorry from Dannemora to Hargshamn. Overall, the rail option is seen as offering much better profitability and considerably more environment advantages than the previously considered lorry alternative.

Financing and schedule

In autumn 2008, Endeavour Financial Ltd was engaged as financial advisor for the planned financing. Endeavour Financial Ltd, based in London, has 20 years of specialist experience in natural resources mining projects (iron ore, base metal, precious metal and industrial mineral) all over the world.

To satisfy lenders' need for an unbiased insight into the mining project, the customary technical, legal, environmental and financial due diligence processes were begun in autumn 2008. The combination of persisting financial turmoil and long lead times in contracting well-reputed technical consultants for due diligence assignments has delayed the due diligence and financing work. However, both Dannemora Mineral and its financial advisor believe loan financing will be available during the third quarter of 2009.

It is planned to raise additional equity by issuing shares or other financial instruments. Loan financing and acquisition of equity are expected to be completed concurrently.

The current time-critical mine pumping and underground ramp placement projects are progressing according to plan, regardless of the ongoing financing activity. Contracts for the ore processing plant are dependent on full financing being in place and have been delayed.

The operational start for the ore processing plant is therefore planned for Q3 2010. The delay has no significant impact on production and project economy, and will not affect the time scale for full production of 1.5 million tonnes/year of iron ore products, namely late 2011/early 2012.

DANNEMORA PROSPEKTERING AB

Activities in the subsidiary Dannemora Prospektering AB in the second half of 2008 were mainly concentrated on the iron ore in and around the Dannemora field, and the zinc/iron mineralisations located earlier in the year in the southern part of the Dannemora field. In addition, some smaller-scale work was carried out in connection with a large number of previously mined deposits, with mineralisations of iron, manganese and nickel/copper/platinum in the Bergslagen region.

At the end of the fourth quarter of 2008, the parent company Dannemora Mineral AB had one exploitation concession (Dannemora field) and 28 exploration permits with a total area of 25,437 hectares. The Company also applied for four new exploration permits during the year.

Iron ore in the Dannemora field

The proven and probable ore reserves in the Dannemora mine have been estimated at just over 28 Mt (35.2 % iron and 1.8 % manganese). At an estimated annual production of 1.5 Mt of lump ore and fines (approx. 2.45 Mt of mined ore), these ore reserves will allow over 12 years of continuous mining.

The iron ore exploration programme launched during spring continued throughout the second half of the year. The aim of the programme is to increase the reserves, and in doing so extend the life of the mine or raise annual production.

It is planned to carry out both exploration drilling and detailed drilling for mining planning from the mine. While waiting for drifts to become available for personnel and drilling machinery, initial activity has been focused on iron ore mineralisations close to the surface. The results of the geophysical surveys conducted in the northern part of the field have been used to produce models of the mineralisations close to the surface. The results will be used to plan ongoing prospecting.

Detailed testing of the ore bodies in the northern part of the field has been started. The aim is to obtain better support material for mining planning and product optimisation in this area, which is where ore production will be concentrated in the early years of operation.

There has been an increase in sampling of drill cores from previous operations. In total, approx. 750 samples have been taken from these cores. Under the programme, approx. 100 more cores are due for sampling and analysis. The purpose of the sampling is to obtain better knowledge of the composition and separation properties of the ores, thereby optimising production and product qualities.

Project Södra fältet, Dannemora

A number of small sulphide mineralisations are known in the Dannemora field. Some of these have high zinc grades and have been mined during different periods. As a result of Dannemora Prospektering's exploration activities in the field another interesting zinc mineralisation has been identified.

The positive results of the drilling programme carried out in spring 2008 prompted the decision to conduct a further small-scale drilling campaign. This was started in the third quarter and concluded in the fourth. The analysis results from the drilling programme were as follows:

- 7.5 m core section grading 4.5% Zn (or 18.0 m grading 2.5% Zn) (Drill hole no: 3012).
- 3.65 m core section grading 2.0 % Zn and 5.36 m core section grading 1.6 % Zn (Drill hole no: 3013).
- 4.55 m core section grading 3.0 % Zn (or 13.05 m grading 1.8 % Zn) (Drill hole no: 3014).
- 3.23 m core section grading 12.2 % Zn (or 18.40 m grading 2.9 % Zn) (Drill hole no: 3015).
- 4.92 m core section grading 1.5 % Zn (Drill hole no: 3016)
- 6.65 m core section grading 0.8 % Zn (Drill hole no: 3017)
- 9.15 m core section grading 1.3 % Zn (Drill hole no: 3018)
- 8.08 m core section grading 0.9 % Zn (Drill hole no: 3019)
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As the zinc mineralisation does not show any limitation regarding breadth and depth, it is still considered interesting. However, in view of the current low zinc prices, the project is not prioritised at the present time.

New exploration permits

In the third quarter of 2008, Dannemora Mineral AB was granted five new exploration permits for iron ore mineralisations (Riddarhyttan no. 1, Rudgruvan no. 1, Persberg nos. 1 and 2, Värmlandsberg no. 1). In February 2009, another exploration permit for iron ore mineralisations was obtained (Riddarhyttan no. 3). The new exploration permits are based on skarn magnetite ore of the same type as in the Dannemora mine.

The **Riddarhyttan no. 1** exploration permit is in Skinnskatteberg municipality in the county of Västmanland. The exploration permit includes the Riddarhyttan field's most important iron deposit, Bäckegruvan, which was in production until 1978. An analysis of tonnage and grades reported when mining ceased (historical tonnage and grades) was published in a press release dated 17 February 2009. Ground magnetic surveys have also been started in the area around Bäckegruvan.

The **Riddarhyttan no. 3** exploration permit is also in Skinnskatteberg municipality in the county of Västmanland. The new permit and the previously granted permit, Riddarhyttan 1, cover the interesting iron ore reserves in the Riddarhyttan field.

The **Rudgruvan no. 1** exploration permit is in Fagersta municipality in the county of Västmanland. The mine was operated by Fagersta Bruks AB until the 1960s.

The **Persberg nos. 1 and 2** exploration permits are in Filipstad municipality in the county of Värmland. The exploration permits include Persberg's Odalfält, which was one of the most important iron ore fields in Värmland until production ceased in 1979. Here too, an examination of tonnage and grades reported when mining ceased is being conducted (historical tonnage and grades).

The **Värmlandsberg no. 1** exploration permit is also in Filipstad municipality. The area contains two iron ore mines of historical importance to the region.

With effect from 1 January 2009, responsibility for the Group's exploration activities was transferred to Dannemora Magnetit AB, where exploration forms a separate division. This organisational change was made in order to clarify the Group's prioritisation as mining commences in the Dannemora iron ore mine and to increase the group's iron ore reserves, particularly in the vicinity of Dannemora. On 1 January 2009, former CEO Lennart Falk stepped down as Head of Exploration Activities and was succeeded by Peter Svensson, who had previously been responsible for exploration operations in the unit.

DANNEMORA FÖRVALTNINGS AB

The land and industrial and residential buildings acquired from Östhammar Municipality in early 2008 were transferred to the Dannemora Group via the new subsidiary Dannemora Förvaltnings AB on 1 April. On 1 June, as part of the Group's restructuring process, Lars Alm became CEO of Dannemora Förvaltnings AB, with responsibility for the Group's property portfolio. Lars remains as Deputy CEO of Dannemora Magnetit.

FUTURE PROSPECTS

The recession has delayed the company's financing work. However, Dannemora Mineral still believes financing can be implemented in autumn 2009.

The present economic climate is resulting in lower demand for iron ore and low prices are to be expected. However, stronger global financial development is predicted in a few years' time and higher iron ore prices.

The combination of financial turmoil and weaker growth in demand for steel products is giving rise to increasing uncertainty about the future price of iron ore and financing opportunities.

RESULTS AND FINANCIAL POSITION

THE GROUP

Turnover and financial performance

As the Group is still in the initial investment phase, it has not, as was the case last year, recorded any operating revenue from mining and exploration activities. The reported turnover is made up entirely of rental income.

Turnover during the 2008 financial year amounted to SEK 2.9 (0.0) million. Profit/loss after net financial items during the year amounted to SEK -22.7 (-10.2) million.

Turnover in the 4th quarter, October - December 2008, was SEK 1.2 (0.0) million. Profit/loss after net financial items during the same period amounted to SEK -9.4 (-5.3) million.

Liquidity and cash flow

Cash flow from operating activities amounted to SEK -20.5 (-7.8) million during the 2008 financial year. After investing activities of SEK -43.0 (-18.1) million and financing activities of SEK 148.4 (79.7) million, cash flow for the financial year was SEK 84.9 (53.8) million. The Company's cash & cash equivalents at the end of the financial year were SEK 148.6 (63.7) million.

Cash flow from operating activities during the 4th quarter, October – December 2008, was SEK -1.6 (-2.2) million. After investing activities of SEK -17.6 (-2.2) million and financing activities of SEK -0.1 (0.1) million, cash flow for the period was SEK -19.2 (-4.3) million.

The Group had no interest-bearing liabilities at 31 December 2008.

Investments

Investments during the 2008 financial year totalled SEK 65.7 (17.6) million. Of these investments, SEK 6.7 (5.6) million was attributable to exploration activities and SEK 2.7 (11.8) million to investigations relating to future

planned mining operations. During the financial year, impairment losses of SEK 1.5 (0.3) million on exploration assets were recognised. The impairment losses related to relinquished exploration permits and exploration permits for which the carrying amount was found to exceed the recoverable amount.

Investments in land and buildings totalled SEK 15.5 (0.0) million, while investments in construction in progress amounted to SEK 40.2 (0.0) million. Investments in land and buildings relate to the area of land and buildings purchased from Östhammar Municipality. Of the total investment of SEK 15.5 million, 13.0 million refers to an adjusted purchase consideration to be paid in 2012.

Investments in the 4th quarter, October - December 2008, amounted to SEK 21.5 (1.9) million. Of these investments, SEK 1.6 (0.2) million was attributable to exploration activities and SEK 0.1 (1.7) million to investigations relating to future planned mining operations. During the period, impairment losses of SEK 1.5 (0.3) million on exploration assets were recognised.

Investments in land and buildings totalled SEK 0.0 (0.0) million, while investments in construction in progress amounted to SEK 19.5 (0.0) million.

Employees

The average number of employees during the 2008 financial year was 14 (8). Three (3) employees were women. The average number of employees in the 4th quarter, October – December 2008, was 14 (10). Three (2) of the employees were women.

The extraordinary general meeting held on 11 April adopted an option scheme for the parent company's CEO Staffan Bennerdt. The option scheme comprises 50,000 warrants and 50,000 share options. Each warrant entitles the holder to subscribe for one new B share, while each share option entitles the holder to acquire one new B share.

The extraordinary general meeting held on 24 June adopted an extension of the option scheme. The extended share option scheme is for key management personnel in the Group and comprises 35,000 warrants and 35,000 share options.

PARENT COMPANY

The parent company's turnover for the 2008 financial year is entirely made up of income for group-wide services invoiced to subsidiaries.

Turnover during the 2008 financial year amounted to SEK 2.4 (0.0) million. Profit/loss after net financial items during the year amounted to SEK -4.3 (-10.2) million.

Turnover in the 4th quarter, October - December 2008, was SEK 0.9 (0.0) million. Profit/loss after net financial items during the same period amounted to SEK -1.0 (-5.3) million.

The parent company's investments during the 2008 financial year totalled SEK 6.9 (17.6) million. SEK 6.7 (5.6) million of this figure was attributable to exploration activities.

Investments in the 4th quarter, October - December 2008, totalled SEK 2.5 (1.9) million. SEK 2.5 (0.2) million of this figure was attributable to exploration activities.

During the 2nd quarter, Dannemora Mineral AB completed a private placement which brought funds of SEK 155 million before issue expenses. A total of 3,100,000 shares were subscribed for at an issue price of SEK 50. After the share issue, the number of shares was 7,760,000, with the new shares representing 39.9 percent of share capital and 16.7 percent of the votes.

The purpose of the new share issue was to finance the pumping of the iron ore mine in Dannemora and other time-critical installation work. The reason for implementing the share issue without preferential rights for shareholders was to broaden the company's ownership. One of the benefits of this will be to facilitate future issues with preferential rights. The proceeds from the share issue have been fully paid in.

Dividend

The Board recommends that no dividend be paid for the 2008 financial year.

Accounting policies

The financial statements have been prepared in accordance with Swedish GAAP, with the exception of accounting for exploration and evaluation assets where IFRS 6 has been applied. The accounting policies applied are unchanged from those in Dannemora Mineral's most recent annual report.

Forthcoming financial information

- The Annual Report for 2008 will be available on the Company's website and can also be ordered from the Company from 17 April 2009.
- The Annual General Meeting will be held at 5 p.m. on 4 May 2009 at Stora salen, Jernkontoret, Kungsträdgårdsgatan 10, Stockholm.
- Interim report for the period January – March 2009 will be published on 29 April 2009.
- Interim report for the period January – June 2009 will be published on 21 August 2009.
- Interim report for the period January – September 2009 will be published on 23 October 2009.

Dannemora, 20 February 2009

Board of Directors of Dannemora Mineral AB (publ) reg. no. 55 66 78 – 33 29
Nils Bernhard, Chairman
Nils Sandstedt, Deputy Chairman
Lars-Göran Ohlsson
Christer Lindberg
Lennart Falk
Niklas Nordström

The geological data in the exploration section of this year-end report has been approved by Lars-Göran Ohlsson and Lennart Falk (Dannemora Mineral AB) who are registered by SveMin (Swedish Association of Mines, Mineral and Metal Producers) as Qualified Persons (QPs). Lennart Falk is one of the principal shareholders of the Company.

This report has not been reviewed by the Company's auditor.

This document is a translation of the original year end report in Swedish. In case of divergence the Swedish version shall have precedence.

For further information, please contact:

Staffan Bennerdt, President and CEO, Dannemora Mineral AB
Tel.: 0295 24 44 22, 070 513 61 14
staffan.bennerdt@dannemoramineral.se

Consolidated financial statements

KEY FIGURES

	Oct-Dec 2008	Oct-Dec 2007	Jan-Dec 2008	Jan-Dec 2007
Profit/loss after financial items, SEK 000	-9 388	-5 314	-22 698	-10 174
Return on total assets, %	-3.9	-5.9	-13.8	-19.6
Return on equity, %	-4.4	-6.2	-15.6	-21.2
Equity, SEK thousands	208 358	82 668	208 358	82 668
Equity/assets ratio, %	86,7	94,1	86,7	94,1
Earnings per share before full dilution, SEK	-1.21	-1.14	-3.66	-2.93
Earnings per share after full dilution, SEK	-1.17	-1.13	-3.56	-2.88
Outstanding shares on balance sheet date before full dilution	7 760 000	4 660 000	7 760 000	4 660 000
Outstanding shares on balance sheet date after full dilution	8 009 000	4 720 000	8 009 000	4 720 000
Average no. of shares before full dilution	7 760 000	4 660 000	6 210 000	3 470 347
Average no. of shares after full dilution	8 009 000	4 720 000	6 377 250	3 530 347

INCOME STATEMENTS

Amounts in SEK thousands	Oct-Dec 2008	Oct-Dec 2007	Jan-Dec 2008	Jan-Dec 2007
Net sales	1 178	-	2 866	-
Other external costs	-7 616	-3 073	-18 652	-8 044
Personnel expenses	-2 879	-2 551	-9 562	-3 421
Depreciation/amortisation of assets	-1 662	-333	-1 914	-370
Operating profit/loss	-10 979	-5 957	-27 262	-11 835
Interest and similar income	1 603	643	4 583	1 662
Interest and similar expense	-12	-	-19	-1
Profit/loss after financial items	-9 388	-5 314	-22 698	-10 174
Profit/loss for the period	-9 388	-5 314	-22 698	-10 174
Earnings per share before full dilution, SEK	-1.21	-1.14	-3.66	-2.93
Earnings per share after full dilution, SEK	-1.17	-1.13	-3.56	-2.88

BALANCE SHEETS

Amounts in SEK thousands	2008-12-31	2007-12-31
ASSETS		
Exploration and evaluation assets	30 602	22 722
Other intangible assets	-	-
Land and buildings	15 266	-
Equipment, tools and fixtures & fittings	625	257
Construction in progress	40 238	-
Deposits	119	115
Trade receivables	153	-
Other current receivables	4 478	750
Prepayments and accrued income	284	263
Cash and bank balances	148 614	63 706
TOTAL ASSETS	240 379	87 813

EQUITY AND LIABILITIES

Equity	208 358	82 668
Non-current liabilities	13 000	-
Trade payables	12 440	3 125
Other current liabilities	704	394
Accruals and deferred income	5 877	1 626
TOTAL EQUITY AND LIABILITIES	240 379	87 813
Pledged assets	17 609	105
Contingent liabilities	None	None

CHANGE IN EQUITY

Amounts in SEK thousands	Full year 2008.	Full year 2007.
Restricted equity		
Opening balance at start of period	1 824	1 241
Bonus issue	-	359
New share issue	496	224
Closing balance at end of period	2 320	1 824
Unrestricted equity		
Opening balance at start of period	80 844	11 862
Bonus issue	-	-359
New share issue	154 504	85 176
Issue expenses	-7 037	-5 708
Issue of warrants	425	47
Profit/loss for the period	-22 698	-10 174
Closing balance at end of period	206 038	80 844
Total equity at end of period	208 358	82 668

CASH FLOW STATEMENTS

Amounts in SEK thousands	Oct-Dec 2008	Oct-Dec 2007	Jan-Dec 2008	Jan-Dec 2007
Cash flow from operating activities	-1 577	-2 232	-20 497	-7 805
Cash flow from investing activities	-17 598	-2 191	-42 983	-18 094
Cash flow from financing activities	-62	100	148 388	79 740
Cash flow for the period	-19 237	-4 323	84 908	53 841
Cash & cash equivalents at beginning of period	167 851	68 029	63 706	9 865
Cash & cash equivalents at end of period	148 614	63 706	148 614	63 706

Dannemora Mineral AB is a mining and exploration company, with the main goal to recommence mining operations in the Dannemora iron ore mine. The Company also engages in exploration activities to increase the iron ore base locally and regionally, and to explore base and precious metals in several areas in Uppland where the potential for finding mineable deposits is considered good.

Dannemora Mineral comprises the parent company Dannemora Mineral AB and the wholly-owned subsidiaries Dannemora Magnetit AB, which is responsible for operation of the Dannemora mine and the Group's exploration activities, and Dannemora Förvaltnings AB, which is responsible for the property portfolio.

The Company's most important asset is the iron deposit in the Dannemora Mine, and initial activity will be focused primarily on the planned mining of this deposit.

The Company's Certified Advisor on First North is E. Öhman J:or Fondkommission AB.