
Press Release 13 February 2009

DANNEMORA SIGNS LETTER OF INTENT FOR IRON ORE DELIVERIES WITH THREE EUROPEAN STEEL COMPANIES

Dannemora Magnetit has been engaged in discussions for some time with European steel companies regarding future iron ore deliveries. These discussions have now resulted in the signing of a letter of intent with three steel companies in northern 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.

Staffan Bennerdt, CEO of Dannemora Mineral and President of the Dannemora Mineral Group: "The signing of this letter of intent with some of our intended customers is both heartening and promising – and a measure of the steel companies' ability to act in a long-term perspective even in these difficult times. This will also have a major bearing on our impending financing and the banks' assessment of the mining project's economic viability."

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

Dannemora Magnetit and the three steel companies have agreed not to disclose the companies' names at this stage for commercial reasons.

For further information, please contact:

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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 ore deposit at Dannemora, and activities will initially focus mainly on the planned mining of this deposit.

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