
Press Release 27 January 2009

RAMP PLACEMENT AND IRON ORE PRODUCTION FOR TRIAL DELIVERIES UNDERWAY IN DANNEMORA MINE

The ramp placement project in the Dannemora iron ore mine begins in late January/early February 2009. The ramp will connect levels 162 and 350 metres, which means heavy vehicles from the surface will be able to access all parts of the mine.

The ramp placement project itself will generate some iron ore, but will also allow mining of the Ströms ore, which is one of the Dannemora field's smaller ores, containing an iron ore reserve of 450,000 tonnes. In order to satisfy the need for trial deliveries to some of the steel companies with which Dannemora Mineral is discussing future ore deliveries, some of the Ströms ore will be mined as early as the first half of 2009.

The crude ore will be refined into lump ore and sintered in a simple temporary separation plant. The trial deliveries to the steel companies are scheduled to start in the second quarter of 2009. The ore will be used for pre-production full-scale testing in the customers' blast furnaces. Much of the equipment used in the temporary separation plant will be used in the planned ore processing plant.

The business discussions on long-term delivery agreements which are being held with various steel companies are expected to result in signed agreements during the third quarter of 2009, after the steel companies have conducted their full-scale testing.

Loan financing for investments in the company's mining operations is dependent on Dannemora Mineral having established customer relationships which ensure sale of the company's iron ore products. Loan financing agreements are expected to be signed when delivery agreements with steel company customers are in place, i.e. in Q3 2009.

The operational start for the mine and ore processing plant is now scheduled for autumn 2010, which represents a delay of two quarters. Despite the delay, full production of 1.5 million tonnes/year of iron ore products is still expected by the turn of year 2011/2012, as was previously communicated.

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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.