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**Press Release 25 January 2011**

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**SKANSKA DESIGNS NEW SORTING PLANT FOR THE DANNEMORA MINE**

Dannemora Mineral has concluded an agreement with Skanska IME for the detailed design of the new sorting plant at the Dannemora Mine. The design work is the first stage in a cooperation agreement under which Skanska IME will also be responsible for completion of the plant. The design work starts immediately and will be based on the requirements specification and preliminary planning previously conducted.

“It was important to find a contractor with experience from similar projects and therefore the expertise to provide the company with a cost-effective construction project and cost-effective operating plant,” says Staffan Bennerdt, CEO and Group President of Dannemora Mineral.

The sorting plant is being designed for an annual capacity of 2.0 million tonnes of finished products in the proportion of 60% lump ore and 40% fines. At the preliminary stage, the investment cost is estimated at approximately SEK 210 million. The plant's annual capacity of 2.0 million tonnes will exceed the annual production capacity of 1.5 million tonnes stated in the feasibility study.

“Provided the financing falls into place as planned, the sorting plant will be ready for operation in spring 2012,” says Staffan Bennerdt.

Skanska IME is Skanska's organisation for industrial projects in Northern Sweden.

“We are proud to be entrusted with this assignment and to contribute towards Dannemora Mineral's resumption of operations in this historical iron ore mine,” says Bengt Hedberg, Project Manager at Skanska IME.

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*Dannemora Mineral AB is a mining and exploration company. The Company's primary goal is 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, responsible for operation of the Dannemora mine, Dannemora Prospektering AB, responsible for all exploration, and Dannemora Förvaltnings AB, 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 Adviser on First North is Remium AB.*