
Press Release 19 August 2011

Results from drilling program gives new estimated mineral resource

The diamond drilling program performed during the period May 2010 to February 2011 resulted in the definition of a new iron ore mineralisation, Norrnäs 3. Modelling of Norrnäs 3 gave an estimated resource of 1.48 million ton averaging 34.3 per cent Fe and 2.0 per cent Mn.

The drilling also provided additional information to the already defined mineralisations Strömsmalmen and Botenhäll.

| Mineralisation | Measured resource | | | Indicated resource | | |
|----------------|-------------------|------|------|--------------------|------|------|
| | Tonnage | Fe % | Mn % | Tonnage | Fe % | Mn % |
| Norrnäs 3 | 1 448 328 | 34,3 | 2,0 | 29 434 | 35,1 | 1,8 |

Drilling was carried out underground at the level -145 metres in the northern part of the mine.

The program comprised 61 drillholes of which 39 drillholes penetrated the Norrnäs 3 mineralisation. A total of 564 samples were analysed by the accredited laboratory ALS Minerals in Perth. Sampling length was generally four metres for the magnetite sections and two metres for the wall rock sections.

Results from this drilling program have been included in the calculation of a new mineral resource for Dannemora mine.

New estimated mineral resource 2011

The new estimated measured and indicated resources in the Dannemora Iron Deposit totals 33.60 million tonnes at a mean grade of 38.4 per cent Fe and 2.0 per cent Mn. The new estimate results in an increased tonnage of 2.75 million tonnes compared to the previous estimate from 2009, and also an increase in Fe and Mn grades.

Additionally a new inferred resource of 1.30 million tonnes has been estimated.

The main cause of the increase in tonnage is that grades between 20 and 30 per cent have been included in the models, and a new better density function was used.

For further information:

Staffan Bennerdt, CEO

Telephone: +46 295 24 44 22

Staffan.Bennerdt@dannemoramineral.se

Dannemora Mineral AB is a mining and exploration company which has as its primary goal the resumption of 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 for 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 and the Group's exploration activities) 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 on the planned mining of this deposit.

The Company's Certified Adviser on First North is Remium AB.