
Press release 12 January 2012

Dannemora´s Mineral Reserve updated

An update of the Dannemora Mineral Reserve was concluded December 23. 2011. The new estimate of the Mineral Reserve shows an increase with 6.9 million tonnes to a total of 35.1 million tonnes, while the iron content in the crude ore has decreased with 0.94 percent. The entire Mineral Reserve is classified as probable.

The basis for this estimate is the updated Mineral Resource which was reported in August 2011 and includes the recently core drilled mineralization Norrnäs 3 and a change of the cut-off grade to 20 percent iron. The former estimate was based on a cut-off grade of 30 percent iron.

The lower cut-off grade affects the amount of waste rock and consequently the iron content. The reported tonnage and waste rock dilution are a function of the chosen mining method, sublevel caving. The wall rock in Dannemora is generally very stable. In the estimated mineral reserve it is assumed that, in most cases, one meter of wall rock will dilute the ore. This wall rock is assumed to contain five percent iron.

The reported Mineral Reserve includes 14 different mineralizations distributed along the total length of the ore field, 3 kilometers. In order to achieve an even quality of products, the feed of crude ore into the sorting plant must be blended from different ore bodies. The crude ore will be treated in a dry magnetic process (under construction) that is designed to produce 60 per cent lump ore and 40 percent fines. The lump ore will contain 50 percent iron and the fines 55 percent iron.

For further information, please contact:

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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 is listed on NASDAQ OMX First North, Stockholm, and Oslo Axess. The Company's Certified Adviser on First North is Remium AB.

The Company's independent qualified person is mining engineer Thomas Lindholm, Geovista AB, Luleå. Thomas Lindholm is qualified as Competent Person as defined in the JORC Code based on education and experience in exploration, mining and estimation of mineral resources of iron, base and precious metals.