
Press release 18 June 2008

Environmental Court approves Dannemora Mineral's application to conduct mining activities in Dannemora

The Swedish Environmental Court's approval gives the green light to installation work needed to ensure operations in the iron ore mine can start towards the end of 2009.

The Environmental Court's decision on Dannemora Mineral's application to open the iron ore mine in Dannemora, Uppland, was announced today, 18 June. The Court granted the application for an annual production of up to two million tonnes of saleable iron ore products. The Court's ruling also includes leave to issue execution, which means that operations can start in the event of an appeal against the court's decision. Dannemora Magnetit AB, a wholly-owned subsidiary of Dannemora Mineral AB, is the company which formally applied for and was granted the environmental licence.

"The environmental court's decision and the associated leave to issue execution means we can have the iron ore mining operations up and running by the end of 2009," says Staffan Bennerdt, President and CEO of Dannemora Mineral. "With analysts unanimous in their expectations that the strong iron ore market will continue for a number of years, we shall be able to ride on the back of the iron ore boom and give the mine a flying start."

All consultation bodies had supported the application, and the decision was expected, as were the environmental conditions the court has imposed on the operations. Today's ruling means that Dannemora Mineral now has the two fundamental official authorisations required to engage in mining activities, namely a licence issued under the Swedish Environmental Code and a licence pursuant to the Swedish Minerals Act.

This document is a translation of the original Press Release in Swedish. In case of divergence, the Swedish version shall have precedence.

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Dannemora Mineral AB is a mining and exploration company, with the main goal to recommence 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 feasible mineralisations is considered to be good.

Dannemora Mineral consists of the parent company Dannemora Mineral AB and the wholly-owned subsidiaries Dannemora Magnetit AB, responsible for the operations of the Dannemora iron ore 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 Advisor on First North is E. Öhman J:or Fondkommission AB.