PRESS RELEASE 10 JUNE 2008

The Board of Dannemora Mineral has called an extraordinary general meeting of shareholders on 24 June 2008 in order to consider

- A proposal authorising the Board to implement a share issue; and
- A proposal to issue warrants to key management personnel in the company.

It is the Board’s intention, as soon as possible, after the EGM to implement a private placement of approx. SEK 150 million to finance pumping of the iron ore mine in Dannemora and other time-critical installation work.

In the second half of 2008, the Board plans to complete its ongoing financing discussions and to obtain more of its own and external capital in a coordinated financing programme, to the extent required for the iron ore project in Dannemora.

Background

Dannemora Mineral owns an exploitation concession for the mine area in Dannemora and has applied for a mining licence, issued under the Swedish Environmental Code. The Swedish Environmental Court will make its decision known on 18 July. Provided the Swedish Environmental Code licence is received, the company will hold all the important authority licences and permits required to carry out mining operations in Dannemora.

Dannemora Mineral has conducted a feasibility study on the re-opening of the Dannemora iron ore mine. The study indicates good profitability for the project and an estimated investment requirement of SEK 838 million for the preparatory work, equipment and installations. The study also estimates a working capital requirement of between SEK 200 and 300 million. The total financing requirement for the Dannemora mining project is therefore expected to be approx. SEK 1,100 million, distributed over three to four years.

Dannemora Mineral has made far-reaching preparations so that it will be in a position to immediately purchase installation work and equipment as soon as the company is granted a licence issued under the Swedish Environment Code. The company is currently purchasing equipment and services to clear the mine of approx. 5 million cubic metres of water. Time-critical projects also include placement of ramps to connect the ground with the main level of 460 metres construction of a new ore processing plant.

Financing plan

After sounding out various potential backers, it was decided that the Dannemora mining project would be financed with just over a third of the company’s capital and the remainder externally. The external capital is expected to comprise bank loans and/or bonds, and supplier financing in the form of leasing.

Dannemora Mineral is planning two share issues to raise the required additional share capital, which is estimated at approx. SEK 400 million. The first is expected to amount to approx. SEK 150 million. The Board is planning to implement the first share issue without preferential rights to shareholders (private placement) and the second with preferential rights. The rationale behind the private placement is to broaden the company’s ownership, thereby facilitating implementation of the planned preference issue and also increasing liquidity and trading in the company’s share.

Dannemora Mineral is planning to implement the private placement of approx. SEK 150 million as soon as possible after adoption by the extraordinary general meeting. The company will then implement a preference issue later in 2008 in a coordinated financing programme that will also secure its loan financing.
Dannemora Mineral has engaged E. Öhman J:or Fondkommission AB as its financial advisor for the planned share issues.

**Board mandate**

The Board proposes that it be given a ‘carte blanche’ mandate for the entire financing process. The Board mandate should be designed to allow it to act and respond appropriately to changing situations and business conditions in financial markets which are unfathomable and turbulent at present. The Board's financing plan is largely outlined above. However, it is worth noting that the financial markets may develop in such a way that changes to the plan may be necessary at short notice.

**Warrants to key management personnel**

The Board of Dannemora Mineral proposes that a small number of key management personnel in the group be offered share options and be given the opportunity to acquire warrants in Dannemora Mineral on market terms and conditions. It is the Board’s opinion that the proposed option scheme is conducive to encouraging these key individuals to remain with the company. The total number of warrants issued to ensure Dannemora Mineral’s commitment will (together with the previously issued warrants) produce a dilution of approx. 5.3 percent of share capital in the case of full subscription, estimated on the basis of present outstanding shares.

**Time and place of the general meeting of shareholders**

The extraordinary general meeting will take place on Tuesday 24 June at 15.00 at the offices of Kilpatrick Stockton Advokatbyrå, Hovslagargatan 5 B in Stockholm.

**The Notice of the general meeting is enclosed**

Other information about the meeting and proposals on the new share issue and option scheme is shown in the Notice.

*This document is a translation of the original press release in Swedish. In case of divergence, the Swedish version shall have precedence.*

For further information, please contact:

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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.
Appendix to press release 10 June 2008

DANEMORA MINERAL

The shareholders of Dannemora Mineral AB (publ) are hereby notified of an extraordinary general meeting to be held on 24 June 2008 at 15.00 at the offices of Kilpatrick Stockton Advokatbyrå, Hovslagargatan 5 B in Stockholm.

Right to participate in the general meeting

In order to participate in the meeting, shareholders must be registered in VPC’s register of shareholders as at 17 June 2008, and must notify the company of their intention to participate. This can be done by post to Dannemora Mineral AB; Box 627, 182 16 Danderyd, by fax 0295-250 30, by phone 0295-24 44 00 or by e-mail niklas.kihl@dannemoramineral.se. The notification must be received by the company no later than 4 p.m. on Tuesday 17 June 2008.

Shareholders with nominee-registered shares must, well in advance of 17 June 2008, temporarily register the shares in their own name, through the nominee, in order to be entitled to participate in the meeting.

Proposed agenda

1. Opening of the meeting
2. Election of a person to chair the meeting
3. Drawing up and approval of voting list
4. Approval of agenda
5. Election of one or two persons to verify the minutes
6. Consideration of whether the meeting was duly convened
7. Proposal to give the Board a mandate to implement new issues
8. Proposal for a share option scheme including share issue and warrants
9. Closing of the meeting

Proposed for adoption

P.7 - Proposal to give the Board a mandate to implement new issues

The number of shares in the company is 4,660,000, divided between 1,200,000 A shares (10 votes) and 3,460,000 B shares (one vote). The Board proposes that the meeting authorise it, on one or more occasions before the next annual general meeting, and with or without shareholders preferential rights, to decide to implement a new share issue (series A and/or series B). In the case of A shares, this shall be confined to an issue with preferential rights to shareholders. The aim of the mandate is to raise capital for the company’s continuing development of the Dannemora mine.

P.8 - Proposal for a share option scheme including share issue and warrants

The extraordinary general meeting on 11 April 2008 adopted a share option scheme consisting of 50,000 warrants and 50,000 share options for the CEO. The Board proposes that the meeting agree to expand the share option scheme by 35,000 warrants and 35,000 share options to include other key management personnel in the company. The options will be issued on the same terms and conditions as those adopted at the EGM held on 11 April. To ensure the company’s commitment in accordance with the issued options, it is proposed that the meeting decide on a total issue of 82,000 warrants.

Other

The Board’s full proposals are available from the company. Any shareholders wishing to obtain a copy may contact the company and they will be sent electronically or by post.

Stockholm, June 2008

Dannemora Mineral AB (publ)
The Board of Directors