



# Interim Report

January-September 2012

## Contents

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Significant events during the period	2
Significant events after the end of the period	2
<u>Operations Q3 2012</u>	
Group	3
Market conditions	3
Dannemora iron ore mine	3
Other activities	5
Risks and uncertainties	5
Future prospects	6
Results and financial position	6
Accounting policies	7
Forthcoming financial information	8
<u>Financial statements</u>	
Group	10
Parent company	14

## Significant events during the period

- Production has increased gradually in the third quarter. The increase in production in September was 57 percent compared with the previous month and the growth rate was equally high in October.
- Dannemora has signed a contract with the German steel company ROGESA (Roheisengesellschaft Saar mbH) to supply approx. 13,000 tonnes of iron ore products.
- Dannemora has signed a contract with ArcelorMittal to supply approx. 26,000 tonnes of iron ore products. The new agreement should be seen as the beginning of a long-term contractual relationship between the parties.
- With effect from 1 September, Pär Göting is responsible for operations at the Dannemora iron ore mine after Kjell Klippmark.
- Net sales for the period January–September 2012 amounted to SEK 56.0 (2.3) million. Profit/loss after net financial items for the same period amounted to SEK -136.4 (-95.9) million and earnings per share was SEK -9.22 (-6.92).
- Total cash flow for the period January–September 2012 was SEK -490.2 (424.2) million.
- Cash & cash equivalents at 30 September 2012 were SEK 132.4 (637.0) million.

## Significant events after the end of the period

- Dannemora Mineral has signed a supply contract with SSI UK (Sahaviriya Steel Industries, United Kingdom), via Stemcor Ltd, for approx. 15,000 tonnes of iron ore products as a first step towards a longer collaboration.
- Dannemora Mineral has decided to issue a convertible loan of between SEK 130 million (min) and SEK 150 million (max). The loan is subject to approval by an Extraordinary General Meeting to be held on 12 November.
- Hargs Hamn AB has received an environmental permit to make a deeper channel into the port, which will mean that larger vessels can be used for the Company's iron ore shipments, thereby allowing lower transport costs per tonne.
- In view of the convertible loan, Dannemora Mineral has decided not to implement the private placement of SEK 130,000,000 or the repair issue of approx. 1 million shares previously announced.

## **GROUP**

Production at the Dannemora iron ore mine sorting plant gradually increased during the third quarter and in September production of finished products increased by 57 percent compared with August. Production has continued to increase at the same rate in October and this year's production target of approx. 400,000 tonnes of finished products is expected to be met. During October, the plant also had a production output corresponding to almost 1 million tonnes of finished products on an annual basis. This production level has been reached with three-shift operation. Dannemora is not yet using the plant's full capacity.

Dannemora has shipped a total of seven ore cargoes to the Company's customers and the eighth ore delivery, destined for SSI's steelworks on Teesside in the UK, is scheduled for the last week of October. The Company has a market for this year's production due to the signed supply contracts.

Dannemora Mineral has decided to issue a convertible loan of between SEK 130 million (min) and SEK 150 million (max). The loan is for three years with an annual interest rate of 11.75 percent and a conversion price of SEK 40. Lenders can convert during the entire term of the loan, and the Company can convert after a year. A large number of Finnish and Swedish shareholders led by the Finnish asset management company Investo Asset Management Ltd (Investo) have been initiators and have also signed the largest proportion of the loan.

On full conversion, the convertible loan will entail a much lower dilution of existing shareholders, compared with the SEK 20 that was the subscription price for the planned private placement of SEK 130 million. The loan is subject to approval by an Extraordinary General Meeting to be held on 12 November.

In view of the convertible loan, Dannemora Mineral has decided not to implement the private placement of SEK 130,000,000 or the repair issue of approx. 1 million shares previously announced.

## **MARKET CONDITIONS**

Lower production from steel producers and rising stocks of raw materials meant that the iron ore price quoted for spot deliveries of 62 percent fines to northern China fell by 37 percent from the peak of \$139 per tonne in June to \$88 per tonne at the beginning of September. Prices recovered during the rest of September, ending the month at \$107 per tonne. The price of iron ore continued to rise in October and was \$120 per tonne on 23 October.

## **DANNEMORA IRON ORE MINE**

### **Mine**

In the third quarter, Dannemora has produced a new production plan for the mine and started mining ore from several ore bodies. The ore bodies in which mining has started have a higher iron content, and this has resulted in an improved iron yield and a higher proportion of fines as a finished product. Mining of the Konstäng ore body began in August and a large proportion of the mined tonnage during September came from this ore body. During October, mining also commenced in the Kruthus ore and development of the Svea ore started, which has also contributed to the continuing increase in the ore production from the mine. Development of mining ramps is ongoing in most of the ore bodies. During the quarter, the Company took final delivery of all the machines belonging to the underground machinery. In connection with this, staffing in the underground shift teams is being increased.

All crude ore is transported via the new ramp to the surface.

### **Sorting plant**

Production has gradually increased during the third quarter. A number of crushing and screening improvements have been made at the plant, which have also increased throughput. Throughput has also increased due to the larger volume of crude ore produced from the mine. The iron content of run-of-mine raw products has also risen during the quarter, resulting in a higher iron yield. This trend is expected to continue. However, the planned yield has not yet been reached. The proportion of fines has increased and the lump/fines ratio is about 70/30. The capacity of the two-stage crushing system for run-of-mine crude ore coming into the plant has been increased now that a large gyratory crusher has been completed and put into operation.

The action programme in progress at the sorting plant includes more appropriate screening cloths, a more effective magnetic separation function and higher efficiency in ore crushing as a result of a smoother process flow. Together, these measures have resulted in the plant reaching full capacity for the intake and processing of crude ore in accordance with the requirements specification (460 tonnes per hour), and the operational availability of the plant has increased significantly to approx. 75 percent. The Company estimates that production at the sorting plant will increase from the current volume to an annual rate of 0.7 million tonnes for October 2012 and thereafter continue to increase to full production of 1.5 million tonnes per annum during the first half of 2013. The fourth shift for the sorting plant has been recruited. The plant's staffing will increase to four shifts in mid-October to allow processing of the increasing ore production from the mine.

### **Production 2012**

	<b>July-September 2012</b>	<b>April-September 2012</b>
Mined crude ore (000 tonnes)	260.5	342.0
Processed crude ore (000 tonnes)	304.6	437.6
Processed finished products (000 tonnes)	80.9	112.9

### **Customers and deliveries**

New supply contracts have been signed with the world's largest steel producer ArcelorMittal and with Rogesa. Both of these agreements should be seen as the beginning of a long-term contractual relationship between the parties. After the third quarter, a supply contract was also concluded with SSI UK (Sahaviriya Steel Industries, United Kingdom).

During the period, five ship cargoes of iron ore were delivered to customers in Europe. Dannemora has shipped a total of seven deliveries ore loads and the eighth is scheduled to be sent to SSI in the UK during the last week of October.

### **Port**

Work to adapt the large terminal facility in Hargshamn and the former ore port area in order to accommodate an imminent higher volume of ore production continued during the quarter. The facility is expected to be completed and taken into operation in April 2013. A temporary, mobile plant is being used until further notice for unloading the railway wagons.

Hargs Hamn AB has received an environmental permit to make a deeper channel into the port, which will mean that larger vessels can be used for the Company's iron ore shipments, thereby allowing lower transport costs per tonne.

### **Recruitment**

Training of the second shift and other personnel was completed during the second quarter, and recruitment of future shifts is ongoing. During October, a fourth shift team was recruited for the sorting plant.

### **Exploration**

Dannemora Mineral's exploitation concession

An update of Dannemora Mineral's mineral reserve at the mine has continued through ongoing diamond drilling for ore boundary determination and improved mine planning data.

## **OTHER ACTIVITIES**

### **Exploration permits**

At the end of the quarter, Dannemora had 13 granted exploration permits, with a total area of 5,277.35 ha, and an exploitation concession of 176.8 ha.

All the exploration permits and the exploitation concession for the Dannemora field are wholly owned by the Parent Company.

In the third quarter, work continued with activities linked mainly to Riddarhyttan. In September, the 32 remaining relevant drill cores from Riddarhyttan, which are stored in the core archive at the Geological Survey of Sweden (SGU) in Malå, were re-logged and new samples were taken.

Dannemora Mineral will increase knowledge about the field by continuing to work with the materials that are stored, possibly supplementing this with field work as a basis for proceeding with the exploitation concession application.

### **Property management**

Property management has been handled in-house with effect from 1 January 2012. The occupancy rate for the Company's rental apartments remains high, as does demand. Measures to strengthen the value of associated forest, which took the form of inspection and thinning, were completed during the period.

## **RISKS AND UNCERTAINTIES**

On the basis of the supply contracts that have been entered into, the Company expects to have a market for its production over the next few years. An intensification of the uncertainty in the financial markets and the economic slowdown in Europe could impair conditions for the Company's customers, which in turn would adversely affect Dannemora Mineral's operations.

In order to reduce foreign exchange risk in the repayment of the Company's bond issue of USD 120 million, the Company will gradually build up US dollar assets from the US dollar revenue generated from its activities.

In view of the fact that the Company has decided to recommend that the extraordinary general meeting approve the issue of a convertible loan of SEK 130-150 million, the Company's equity ratio will be lower than if it had implemented a new share issue of SEK 130 million.

The Company's technical and operational risks have not been given prominence in the annual report for 2011. It should be said that the risks have been underestimated, as is borne out by the ongoing action programme for the sorting plant.

## **FUTURE PROSPECTS**

It is Dannemora Mineral's assessment that production at the sorting plant will increase from the present volume to an annual rate of approx. 1 million tonnes in the fourth quarter of 2012. A full production level of 1.5 million tonnes per annum is expected to be achieved during the first half of 2013.

## **RESULTS AND FINANCIAL POSITION**

### **GROUP**

#### **Revenue and earnings**

Revenue during the first nine months amounted to SEK 56.0 (2.3) million and was mainly attributable to iron ore product sales of SEK 53.7 (-) million, with rental income accounting for the remainder. Profit/loss after net financial items during the same period amounted to SEK -136.4 (-95.9) million. Net financial items include unrealised exchange gains of SEK 44.7 (-68.2) million.

Revenue during the third quarter, July-September, amounted to SEK 41.6 (0.6) million and was mainly attributable to iron ore product sales of SEK 40.8 (-) million, with rental income accounting for the remainder. Profit/loss after net financial items for the third quarter amounted to SEK -25.1 (-63.4) million. Net financial items include unrealised exchange gains of SEK 49.0 (-56.0) million.

#### **Liquidity and cash flow**

Cash flow from operating activities for the period January-September amounted to SEK -178.9 (-94.5) million. Cash flow from investing activities was SEK -410.0 (-413.5) million and cash flow from financing activities was SEK 98.7 (932.2) million, which meant that cash flow for the period was SEK -490.2 (424.2) million. The Group's cash & cash equivalents stood at SEK 132.4 (637.0) million at the end of the period. Cash flow from financing activities this year related to the new share issue.

Cash flow from operating activities during the third quarter, July-September, amounted to SEK -95.2 (-120.3) million. Cash flow from investing activities was SEK -61.4 (-133.2) million and cash flow from financing activities was SEK -0.3 (68.2) million, which meant that cash flow for the period ended on SEK -156.9 (-185.3) million.

The Group's interest-bearing liabilities at 30/09/2012 amounted to USD -120 (-120), million which corresponds to SEK -783.4 (-823.0) million.

#### **Investments**

Investments during the period January-September amounted to SEK 399.3 (293.6) million. These were distributed as follows: work in progress 395.1 (287.9) million, land & buildings 0.4 (1.1) million, plant & machinery 1.3 (0.5) million, exploration & evaluation 0.1 (3.8) million and licences 2.4 (0.3) million.

Investments during the third quarter amounted to SEK 57.0 (115.1) million. These were distributed as follows: work in progress 55.9 (113.2) million, land & buildings 0.3 (-) million, plant & machinery 0.7 (0.1) million, exploration & evaluation 0.0 (1.5) million and licences 0.1 (0.3) million.

### **Employees**

The average number of employees during the first nine months of the year was 59 (20), of whom 20 (6) were women. The average number of employees during the third quarter was 67 (24), of whom 23 (7) were women. The number of employees at the end of the period was 70, of whom 23 were women.

### **Parent**

The Parent Company's revenue for the first nine months totalled SEK 13.1 (4.4) million and consisted largely of group-wide services. Profit/loss after net financial items for the same period amounted to SEK -34.6 (-123.1) million.

Revenue during the third quarter totalled SEK 5.7 (1.4) million. Profit/loss after net financial items during the same period amounted to SEK 25.3 (-81.0) million.

The Parent Company's investments during the first nine months amounted to SEK 2.5 (4.4) million. These were distributed as follows: equipment 0.1 (0.2) million, exploration 0.1 (3.9) million and licences 2.3 (0.3) million.

Investments during the third quarter amounted to SEK 0.1 (1.5) million. These were distributed as follows: equipment 0.1 (-) million, exploration 0.0 (1.2) million and licences 0.0 (0.3) million.

Dannemora Mineral AB completed a private placement in March 2012. A total of 1.5 million shares were allotted at a subscription price of SEK 69.00, which brought the Company SEK 103.5 million before transaction expenses.

## **ACCOUNTING POLICIES**

### **Group**

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Financial Reporting Board's recommendation RFR 1 and, in the Parent Company's case, RFR 2. The same accounting policies and methods of computation are followed in the interim financial statements as in the most recent annual financial statements, apart from the cases described below.

Preparation of financial statements in accordance with IFRS requires management to make critical judgements, accounting estimates and assumptions which affect the Group's earnings, financial position and other disclosures.

When preparing this interim report there were a number of standards, amendments and interpretations of existing standards which had not yet come into force. Dannemora Mineral has decided against early adoption of these standards, amendments and interpretations. The standards considered to be relevant to the Group are IFRS 9 Financial Instruments and the revised IFRS 13 Fair Value Measurement. The Group intends to apply the new standards no later than the financial years beginning 1 January 2015 and 1 January 2013, respectively. The standards have not yet been adopted by the EU. Dannemora Mineral has yet to assess the full implications of the revised standards on its financial reporting.

### **Forthcoming financial information**

- The year-end report for the financial year January-December 2012 will be published on Friday 15 February 2013.
- The Annual General Meeting will be held at 4 p.m. on 13 May 2013 at Stora salen, Jernkontoret, Kungsträdgårdsgatan 10, Stockholm.

### **Dannemora, 26 October 2012**

Board of Directors of Dannemora Mineral AB (publ) reg. no. 55 66 78 – 33 29

Nils Bernhard, Chairman  
Nils Sandstedt, Deputy Chairman  
Lennart Falk  
Christer Lindberg  
Jarmo Tonteri  
Stefan Månsson  
Robert Eek

*The geological data in the exploration section of this interim report has been approved by Thomas Lindholm who is registered as a qualified person (QP) in accordance with the international JORC Code.*

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## **Auditor's Review Report**

### **Introduction**

We have reviewed the interim report for Dannemora Mineral AB (publ) for the period 1 January to 30 September 2012. The Board of Directors and CEO are responsible for the preparation and presentation of this interim financial report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim financial report based on our review.

### **Scope of the review**

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, conclusions based on a review do not have the level of assurance of conclusions based on an audit.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report has not been prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act for the Group and the Swedish Annual Accounts Act for the Parent Company.

Gävle, 26 October 2012

Öhrlings PricewaterhouseCoopers AB

Annika Wedin  
Authorised Public Accountant

## Group

### STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK thousands	July-Sept 2012	July-Sept 2011	Jan-Sept 2012	Jan-Sept 2011	Full year 2011
Net sales	41 601	585	56 040	2 307	3 131
Changes in inventories	5 346	625	8 395	625	8 130
Other external expenses	-79 324	-6 990	-160 714	-22 986	-40 189
Personnel expenses	-10 922	-4 130	-33 171	-13 225	-20 988
Depreciation/amortisation and impairment of assets	-12 797	-205	-18 687	-561	-3 081
<b>Operating profit/loss</b>	<b>-56 096</b>	<b>-10 115</b>	<b>-148 137</b>	<b>-33 840</b>	<b>-52 997</b>
Finance income	46 707	4 020	48 791	15 768	20 035
Finance costs	-15 760	-57 300	-37 036	-77 798	-85 198
Net financial items	30 947	-53 280	11 755	-62 030	-65 163
<b>Profit/loss after financial items</b>	<b>-25 149</b>	<b>-63 395</b>	<b>-136 382</b>	<b>-95 870</b>	<b>-118 160</b>
Tax on profit/loss for the year	-	-	-	-	-16
<b>Profit/loss for the period</b>	<b>-25 149</b>	<b>-63 395</b>	<b>-136 382</b>	<b>-95 870</b>	<b>-118 176</b>
Other comprehensive income for the period, net of tax	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-25 149</b>	<b>-63 395</b>	<b>-136 382</b>	<b>-95 870</b>	<b>-118 176</b>
<b>Comprehensive income for the period attributable to:</b>					
Owners of the parent	-25 149	-63 395	-136 382	-95 870	-118 176
<b>Earnings per share, based on profit/loss attributable to owners of the parent during the period</b>					
Earnings per share before full dilution, SEK	-1.64	-4.57	-9.22	-6.92	-8.82
Earnings per share after full dilution, SEK	-1.64	-4.51	-9.21	-6.82	-8.70

## STATEMENT OF FINANCIAL POSITION

Amounts in SEK thousands

<b>ASSETS</b>	30/09/2012	30/09/2011	31/12/2011
<b>Non-current assets</b>			
<i><b>Intangible assets</b></i>			
Exploration and evaluation assets Dannemora	35 850	36 339	37 276
Other exploration and evaluation assets	3 503	5 885	3 425
Licences	3 861	260	1 621
	<hr/> 43 214	<hr/> 42 484	<hr/> 42 322
 <i><b>Property, plant &amp; equipment</b></i>			
Land and buildings	414 099	17 248	17 156
Plant and machinery	78 961	-	1 129
Equipment, tools and fixtures & fittings	1 933	856	1 125
Work in progress	593 860	417 278	606 229
	<hr/> 1 088 853	<hr/> 435 382	<hr/> 625 639
 Financial assets	2 324	2 121	2 123
	<hr/> 2 324	<hr/> 2 121	<hr/> 2 123
<b>Total non-current assets</b>	<b>1 134 391</b>	<b>479 987</b>	<b>670 084</b>
 <b>Current assets</b>			
Inventories	16 525	625	8 130
Trade receivables	10 457	1 251	121
Other receivables	14 287	27 160	19 164
Prepayments and accrued income	5 168	13 953	11 037
Cash & cash equivalents	132 432	775 853	628 836
<b>Total current assets</b>	<b>178 869</b>	<b>818 842</b>	<b>667 288</b>
<b>TOTAL ASSETS</b>	<b>1 313 260</b>	<b>1 298 829</b>	<b>1 337 372</b>
	<hr/>	<hr/>	<hr/>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>368 587</b>	<b>428 514</b>	<b>406 210</b>
<b>Non-current liabilities</b>	<b>812 482</b>	<b>804 261</b>	<b>800 039</b>
 <b>Current liabilities</b>			
Trade payables	81 282	48 775	69 833
Other liabilities	26 806	11 829	15 619
Accruals and deferred income	24 103	5 450	45 671
<b>Total current liabilities</b>	<b>132 191</b>	<b>66 054</b>	<b>131 123</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 313 260</b>	<b>1 298 829</b>	<b>1 337 372</b>

## STATEMENT OF CHANGES IN EQUITY

Amounts in SEK thousands	Attributable to owners of the Parent			
	Share capital	Other paid-in capital	Retained earnings	Total equity
Opening balance, 1 January 2011	1 898	487 740	-109 951	379 687
Comprehensive income for the period			-95 870	-95 870
New share issue	320	149 680		150 000
Issue expenses		-5 302		-5 302
<b>Closing balance, 30 September 2011</b>	<b>2 218</b>	<b>632 118</b>	<b>-205 821</b>	<b>428 514</b>
Opening balance, 1 January 2012	2 218	632 111	-228 087	406 242
Comprehensive income for the period			-136 382	-136 382
New share issue	240	103 260		103 500
Issue expenses		-4 773		-4 773
<b>Closing balance, 30 September 2012</b>	<b>2 458</b>	<b>730 598</b>	<b>-364 469</b>	<b>368 587</b>

## CASH FLOW STATEMENT

Amounts in SEK thousands	July-Sept	July-Sept	Jan-Sept	Jan-Sept	Full year
	2012	2011	2012	2011	
Operating activities					
Cash flow before changes in working capital	-77 937	-67 970	-164 060	-101 395	-37 699
Changes in working capital	-17 325	-52 297	-14 883	6 871	14 798
<b>Cash flow from operating activities</b>	<b>-95 262</b>	<b>-120 267</b>	<b>-178 943</b>	<b>-94 524</b>	<b>-22 901</b>
Investing activities					
Investment in intangible assets	-241	-2 491	-2 979	-4 370	-6 151
Investment in property, plant & equipment	-61 110	-92 869	-406 808	-270 322	-421 574
Investment in financial assets	-1	-37 868	-201	-138 826	-2 536
<b>Cash flow from investing activities</b>	<b>-61 352</b>	<b>-133 228</b>	<b>-409 988</b>	<b>-413 518</b>	<b>-430 261</b>
Financing activities					
New share issue	-267	-	98 727	144 698	144 698
Bond issue	-	68 160	-	787 542	715 041
<b>Cash flow from financing activities</b>	<b>-267</b>	<b>68 160</b>	<b>98 727</b>	<b>932 240</b>	<b>859 739</b>
<b>Cash flow for the period</b>	<b>-156 881</b>	<b>-185 335</b>	<b>-490 204</b>	<b>424 198</b>	<b>406 577</b>
Cash & cash equivalents at beginning of period	295 845	821 724	628 836	212 134	212 134
Exchange gains/losses	-6 532	639	-6 200	696	10 125
Cash & cash equivalents at end of period	132 432	637 028	132 432	637 028	628 836

## KEY FIGURES

	July-Sept 2012	July-Sept 2011	Jan-Sept 2012	Jan-Sept 2011	Full year 2011
Profit/loss after financial items, SEK thousands	-25 149	-63 395	-136 382	-95 870	-118 160
Return on total assets, %	-0.7	-4.9	-7.5	-7.4	-3.8
Return on equity, %	-6.6	-14.8	-35.2	-22.4	-30.1
Equity, SEK thousands	368 587	428 514	368 587	428 514	406 210
Equity/assets ratio, %	28.1	33.0	28.1	33.0	30.4
Gross investments in property, plant & equipment, SEK thousands	56 868	112 012	396 767	289 465	479 781
Earnings per share before full dilution, SEK	-1.64	-4.57	-9.22	-6.92	-8.82
Earnings per share after full dilution, SEK	-1.64	-4.51	-9.21	-6.82	-8.7
Outstanding shares on reporting date before full dilution (thousands)	15 360.4	13 860.4	15 360.4	13 860.4	13 860.4
Outstanding shares on reporting date after full dilution (thousands)	15 360.4	14 049.4	15 360.4	14 049.4	14 049.4
Average no. of shares before full dilution (thousands)	15 360.4	13 860.4	14 793.7	13 238.2	13 393.7
Average no. of shares after full dilution (thousands)	15 360.4	14 049.4	14 804.2	13 427.2	13 582.7

## Parent Company

### INCOME STATEMENT

Amounts in SEK thousands	July-Sept 2012	July-Sept 2011	Jan-Sept 2012	Jan-Sept 2011	Full year 2011
Net sales	5 727	1 437	13 149	4 380	5 817
Other external expenses	-6 057	-2 582	-16 830	-10 652	-12 569
Personnel expenses	-2 616	-2 225	-8 832	-7 264	-10 380
Depreciation, amortisation and impairment of assets	-596	-46	-1 226	-125	-2 615
<b>Operating profit/loss</b>	<b>-3 542</b>	<b>-3 416</b>	<b>-13 739</b>	<b>-13 661</b>	<b>-19 747</b>
Other interest and similar income	49 981	5 726	57 493	19 114	25 229
Interest and similar expense	-21 108	-83 328	-78 395	-128 608	-161 683
<b>Net financial items</b>	<b>28 873</b>	<b>-77 602</b>	<b>-20 902</b>	<b>-109 494</b>	<b>-136 454</b>
Profit/loss after financial items	25 331	-81 018	-34 641	-123 155	-156 201
Tax on profit/loss for the year	-	-	-	-	-
<b>Profit/loss for the period</b>	<b>25 331</b>	<b>-81 018</b>	<b>-34 641</b>	<b>-123 155</b>	<b>-156 201</b>
Tax on profit/loss for the year	-	-	-	-	-
<b>Profit/loss for the period</b>	<b>25 331</b>	<b>-81 018</b>	<b>-34 641</b>	<b>-123 155</b>	<b>-156 201</b>

**BALANCE SHEET**

Amounts in SEK thousands	30/09/2012	30/09/2011	31/12/2011
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Intangible assets</i>			
Capitalised expenditure	20 260	22 520	21 014
Licences	3 355	260	1 232
	<u>23 615</u>	<u>22 780</u>	<u>22 246</u>
Property, plant & equipment	424	457	529
	<u>424</u>	<u>457</u>	<u>529</u>
<i>Financial assets</i>			
Shares in Group companies	300	300	300
Other non-current receivables	124	121	123
	<u>424</u>	<u>421</u>	<u>423</u>
<b>Total non-current assets</b>	<b>24 463</b>	<b>23 658</b>	<b>23 198</b>
<b>Current assets</b>			
Current receivables	966 023	590 451	698 765
Cash and bank balances	36 448	601 579	429 748
<b>Total current assets</b>	<b>1 002 471</b>	<b>1 192 030</b>	<b>1 128 513</b>
<b>TOTAL ASSETS</b>	<b>1 026 934</b>	<b>1 215 688</b>	<b>1 151 711</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital	2 458	2 218	2 218
Statutory reserve	1 078	1 078	1 078
	<u>3 536</u>	<u>3 296</u>	<u>3 296</u>
Unrestricted equity	255 930	350 342	318 299
<b>Total equity</b>	<b>259 466</b>	<b>353 638</b>	<b>321 595</b>
Non-current liabilities	757 962	791 261	799 687
Current liabilities	9 506	70 790	30 429
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 026 934</b>	<b>1 215 688</b>	<b>1 151 711</b>
Pledged assets	4 293	97 058	100 628
Contingent liabilities	13 000	13 000	13 000

*Dannemora Mineral AB is a mining and exploration company of which the primary activity is 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.*

*Dannemora Mineral AB is listed on OMX First North Stockholm and Oslo Axess. The Company's Certified Adviser on First North is Remium Nordic AB.*

*The Company's independent qualified person is mining engineer Thomas Lindholm, GeoVista AB, Luleå. Thomas Lindholm is qualified as a 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.*