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**Press release 11 January 2013**


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**Dannemora iron ore mine - production and deliveries in 2012**
**Production results and deliveries in 2012**

	Q1	Q2	Q3	Q4	2012
Produced crude ore, mine (kt)	60	113	274	492	939
ROM crude ore, sorting plant (kt)		130	307	451	887
ROM iron content, sorting plant (wt%)		30%	32%	34%	32%
Outcome of finished product (kt)		32	81	159	271
Finished product yield, plant (wt%)		25%	26%	35%	31%
Finished product shipped to customers (kt)		18	60	155	233

**Products and customers in 2012**

- Lump ore with 50 per cent iron content and sinter fines with 55 per cent iron content were produced and delivered during the year.
- The shipments were made to Salzgitter, ArcelorMittal, SSI via Stemcor, Thyssen and Rogesa. .

**Outlook for 2013**

- Mine production of crude ore will reach full capacity, and the iron content of the crude ore will be higher than in 2012. As the crude ore capacity is expected to exceed the sorting plant's capacity, the mine is not expected to have a restrictive effect on the production of finished products.
- The sorting plant's production capacity will increase as a result of continuing fine-tuning, an expansion to five shifts and measures to eliminate operational disruptions that have restricted capacity utilisation.
- The finished product yield in the sorting plant will increase due to the crude ore's higher iron content, continuing fine-tuning and improvements to equipment in the existing plant.

**Significant potential for improvement at the sorting plant**

- Operational readiness at the sorting plant in Q4 was approx. 75 per cent. Operational disruptions caused by scrap metal in run of mine ore and a lack of spare parts had an adverse effect on operational readiness. An action programme aimed at gradual but significant improvements is in progress.
- The finished product yield in the sorting plant is still low. An action programme aimed at significantly increasing the yield is in progress. The action programme encompasses a small number of equipment investments that will provide improved separation of saleable products and waste materials and a more even flow of material through the crushers.
- The action programmes to increase operational readiness and finished product yield are largely planned to be implemented during the first half of 2013 and to gradually take effect

during 2013. The investment cost for the action programmes is expected to amount to a maximum of SEK 30 million.

- To reach full yield potential, an investigation is being made of the possibility of adding an extra processing step for the recovery of saleable product from the waste product that is now deposited. The waste product contains a substantial amount of iron. The investment cost of an extra processing step cannot be estimated in the current situation, as the investigation is still ongoing.
- With the planned adjustments to the existing process and an extra processing step, it should be possible to increase the yield of the finished product by between 55 per cent and 60 per cent. The sorting plant which was in operation until the mine's closure in 1992 was built in the 1960s and achieved a yield of about 58 per cent.

“After having been in my position for just a few weeks, I am positively surprised by the fact that, despite the steel industry's situation in Europe, there is good demand for our products,” says Ralf Nordén, the newly appointed President and CEO of Dannemora Mineral. “Internally, the focus is on the sorting plant's productivity and the overall yield in order to meet demand for ore. The action programmes that are in progress will gradually produce good effects.”

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*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 deposit in the Dannemora Mine, and activity is focused mainly on the mining of this deposit at present.*

*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 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.*