
Press Release 24 April 2014

Dannemora Mineral contemplates a new bond loan and issue of warrants for investments in profitable mining operations

As an integral part of the development of the Dannemora Mine, Dannemora Mineral AB ("Mineral") and its subsidiary Dannemora Magnetit AB ("Magnetit") today decided to recapitalize the group by offering investors to subscribe, on certain conditions, to bonds and warrants as part of a long-term financing solution for investments planned in respect of the mine. In addition to a new bond loan, the financing solution also includes, inter alia, the conversion of the existing bond loan to shares in Dannemora Mineral AB ("Mineral") and the conversion of outstanding convertible debt instruments.

The development of the Dannemora Mine involves an investment programme of approximately SEK 450 million intended to increase production with approximately 40% and to create cost savings of approximately SEK 60 million per annum within the ore production process.

With the support of the existing bondholders, the new bond loan will be offered on a private placement basis with bonds issued by Magnetit in an amount not exceeding USD 100 million. The related warrants will be issued by Mineral and will entail the material dilution of existing shares in Mineral. Subscriptions will only be permitted for bonds and warrants jointly and at an amount of at least USD 200,000, which means that no formal prospectus will be produced.

The companies intend to offer the current shareholders and holders of the convertible debt the opportunity to invest in bonds and warrants on substantially the same terms as those offered to the capital market. This offer is expected to be made during the current calendar quarter.

The financial restructuring requires the consent of the general meeting of shareholders and amendments to the company's articles of association and the approval of the existing bondholders and the holders of the convertible debt.

The offer is not underwritten, which means that the bonds and warrants will only be issued if enough commitments have been obtained.

The bond loan shall be used for, among other things, the repayment of the bridge financing and to finance the investments required to increase the iron ore production in the Dannemora Mine.

Swedbank is acting as Dannemora Mineral's financial adviser.

The information provided to prospective investors may be retrieved at Dannemora Mineral's website under <http://dannemoramineral.se/en/investors>.

Detailed information on the offer can be obtained from Wilhelm Koren, tel +47 2311 6266.

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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 intends to engage in exploration activities to increase the iron ore base locally and regionally in several areas in Uppland where the potential for finding workable 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, Dannemora Iron Ore Development AB, responsible for the Group's exploration, 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 Advisor 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.