

Press Release 6 May 2011

New agreement with Bergteamet for underground work in Dannemora mine

Dannemora Magnetit has signed an agreement with Bergteamet AB for further underground work in the Dannemora mine.

The mine work involves ramp connection to the surface and pre-production development work. The work, which will start immediately.

The new ramp connection to the surface will be approx. 1,650 metres in length, extending from the surface down to the 236-metre level where it will connect to the ongoing ramp placement to the main levels.

The new ramp will allow traffic access throughout the entire mine. The facility to bring ore up by truck via the ramp is a pre-requisite for an early production start.

The agreement covers up to 2,000 metres of drift development prior to the start of production, as well as 2,000 metres of transport drift and approx. 60,000 drilling metres of production drilling in the ore. The contract is worth a total value of around MSEK 170.

Bergteamet AB is one of Sweden's leading tunnelling and mine work contractors.

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Dannemora Mineral AB is a mining and exploration company which has as its primary goal the resumption of 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.

The Company's Certified Adviser on First North is Remium AB.

