

Press release of unaudited annual earnings January - December 2007

Summary of significant events and results in 2007:

- In June, Dannemora Magnetit AB submitted an application to the Environmental Court at Nacka District Court in regard to the resumption of operations in the Dannemora Mine.
- Ore reserves in the Dannemora field have been estimated at 28.5 Million tons with 35.2% iron and 1.8% manganese (20.6 million tons of proven ore reserves with 35.1% iron and 1.8% manganese and 7.9 million tons of probable ore reserves with 35.3% iron and 1.7% manganese). With the assumptions made, this is sufficient for more than 12 years of mining operations at Dannemora.
- With full production it is planned that 2.45 million tons of ore will be mined per year, which is estimated to give 1.5 million tons of processed products (50% lump ore and 50% fines).
- Investment costs for resuming operation in the Dannemora Mine have been estimated at just under MSEK 840 spread over four years.
- Operating costs at full production have been estimated at approx. SEK 179 per ton of processed products FOB Hargshamn, which equates to approx. SEK 109 per ton of ore.
- Net present value (NPV) of the iron ore project has been calculated in the feasibility study as MSEK 956 with an 8% cost of capital. The average price of the processed products has been set at SEK 358 per ton (20% lower than the price in 2007 and without taking any payment for the manganese content into consideration).
- The moraine sampling that was carried out during the year resulted in a number of anomalous gold areas along a belt running northwards from the Dannemora Mine.
- In the autumn TEM measurements conducted by helicopter and in drill holes indicated a number of interesting electrical conductors in the bedrock.
- During the year, the Dannemora Group has built up a well-functioning management organisation for the parent company and for both the subsidiary companies.
- A new share issue and listing on the First North equity market were carried out during the year. The new share issue contributed SEK 85.4 million before issues costs to the Company.

- **Profit/loss after net financial items during the year amounted to MSEK -10.2 (-2.6). Profit/loss after net financial items in Q4 amounted to MSEK -5.3 (-0.9).**
- **Cash flow from operating activities during the year amounted to MSEK -7.8 (-2.1). Cash flow from operating activities in Q4 amounted to MSEK -2.2 (-0.2).**
- **Investments during the year totalled MSEK 17.6 (5.9). Investments during Q4 totalled MSEK 1.9 (3.8).**
- **Cash equivalents as per 31 December 2007 totalled MSEK 63.5 (9.7).**

Summary of important events during 2008:

- **Dannemora Mineral and Östhammar Municipality have agreed on the transfer of an area of land of approx. 400 ha from the municipality's private limited company Dannemora Gruvfastigheter to Dannemora Mineral.**
- **During February, the Brazilian mining conglomerate Vale has negotiated price increases of 65% for iron ore with major Asian steel manufacturers such as Japan's Nippon Steel and South Korea's Posco.**

Comments from MD Lars-Göran Ohlsson

The objectives we set out for 2007 have largely been achieved.

In June, we submitted an application to the Environmental Court at Nacka District Court to resume mining at the Dannemora Mine and to process the ore on-site into saleable products. The application refers to a production of 2.0 Million tons of lump ore and fines. It is planned that the residual material from the ore refining will be deposited in the open rooms that exist in the mine from previous mining operations. This procedure will significantly reduce undesirable environmental impacts at the same time as the bedrock will be stabilised.

Dannemora Mineral has previously had a exploitation concession for the Dannemora field but an environmental licence is also required before a decision can be taken in regard to the planned resumption of mining operations.

The feasibility study that was carried out in 2007 was published at the beginning of January 2008. The results are very positive and indicate that the project has clear economic sustainability. The work to find more cost-effective solutions has been undertaken simultaneously with the study, and this has meant that it has taken longer than was estimated at the beginning of the year. This work will continue and our goal is to squeeze costs still further and make the project even more attractive. We will concentrate in particular on the transport issue. A transition from truck transport to rail transport is important for both the environment and the economy of the iron ore operations. Other important areas with which we will be working include ore processing. A greater percentage of lump ore, as well as higher iron content in the ore products, would further enhance the project.

What is crucial for shareholder value is also the structure of future financing of the investments (percentage of internal and external capital) and the capital cost at which it can be carried out. We are also in the process of examining the possibilities for reducing the initial investment costs by using leasing solutions.

Key risks, and thereby also opportunities, are linked to the average price of our iron ore products and the development in the USD/SEK exchange rate. We believe that the current shortage of iron ore will remain for one or two years going forward and then thereafter go over to an equilibrium between supply and demand. Price forecasts are consistently positive with expectations of significant increases in 2008.

Recruitments have considerably strengthened the organisations of both the parent company and the subsidiary companies. A new finance manager has been appointed at the parent company. In 2007 Dannemora Magnetit

AB appointed a new managing director, a site manager and a marketing and logistics manager, which has added substantial experience and competence within marketing as well as the mining and processing of magnetite ores. At Dannemora Prospektering AB too the recruitment of new personnel has strengthened the organisation and increased prospecting competence.

The Dannemora Mine is filled with water up to the 320 meter level. We estimate that there is approx. five million cubic metres of water in total that will have to be pumped out. The County Administrative Board has granted the company permission to pump out the water using a sedimentation basin. Pumping was intended to start already in 2007, but as it has been shown that mining can begin in ores that lie above the water level and be transported to the surface via the existing ramp, the investment in pumping probably does not need to be made before the environmental licence has been obtained and a final decision taken in regard to production.

Results from prospecting activity in 2007 have been positive. The moraine sampling carried out has revealed a number of areas with anomalous (increased) contents of gold and base metals.

Aerial geophysical surveys carried out during the year have also given interesting results. A number of anomalies have emerged which may be caused by base metal mineralisation. Several of these also coincide with the anomalous areas that have been found in the moraine sampling.

The results of the TEM measurements that were carried out in holes drilled in the southern part of the Dannemora field are also promising. These measurements indicated, independent of each other, a good electrical conductor approx. 200 metres long which has its centre at a depth of approx. 130 meters.

The last year has been interesting and exciting and we have managed to achieve nearly all the objectives that we had at the beginning of the year. Both the mine project as well as prospecting have shown positive developments and we are now well-equipped to take on the challenges that we are facing in 2008. I hope that the shareholders share the sense of optimism for the future that the company management and the board feel.

The Dannemora Group

Dannemora Mineral AB consists of the parent company Dannemora Mineral AB and the wholly-owned subsidiary companies Dannemora Magnetit AB and Dannemora Prospektering AB.

Dannemora iron ore mines (Dannemora Magnetit AB)

Environmental application

In June Dannemora Magnetit AB submitted an application to the Environmental Court at Nacka District Court to resume mining operations at the Dannemora Mine and to process the ore on-site. The application refers to production of 2.0 million tons of iron ore products (lump ore and fines), which imply an annual run of mine (ROM) of approx. 3.3 million tons of ore.

Dannemora Mineral has previously had a exploitation concession for the Dannemora field. All important licences in order to be able to commence mining in the field will therefore have been attained once the environmental licence is granted.

Agreement with Östhammar municipality

For the planned mining operation, the Company needs to ensure the right of disposition over certain areas of land. Negotiations have therefore been conducted with Östhammar municipality in regard to the takeover of land belonging to the municipally-owned company Dannemora Gruvfastigheter AB. A draft agreement was submitted to the municipality's working committee at the beginning of 2008. Following the decision of the municipal council, the land properties will be taken over in April 2008. Dannemora Mineral has already acquired right of disposition over the areas in question by means of a temporary lease agreement. Within the areas in question, the municipality will be liable for the historical environmental impact while Dannemora Mineral will be liable for any environmental impact caused by future operations.

Feasibility study

In 2007 the independent consultancy companies ARRC Geoconsulting AB (ARRC), Vattenfall Power Consultant AB (VPC) and PROing H&J AB (PROing) carried out a feasibility study on behalf of Dannemora Mineral AB in

regard to Dannemora iron ore deposits. The results of the study have been presented in more detail in the press release of 28 January 2008.

ARRC has carried out the calculations of the mineral resources and VPC has calculated the ore reserves, carried out those parts of the study that concern the mining operation and has been responsible for the compilation of the report and the financial evaluation. Those parts of the study that concern the processing and production plant have been carried out and compiled by PROing.

Mineral resources

With a cut-off level of 30% iron, the measured mineral resources total 19.4 million tons with 41.5% iron and 1.9% manganese and the indicated mineral resources total 6.2 million tons with 39.2% iron and 2.2% manganese (together with 25.5 million tons with 41.0% iron and 2.0% manganese). Added to this comes 0.4 million tons with 39.6% iron and 1.5% manganese which is classified as inferred mineral resources.

There are some sections within the modelled volumes that do not contain more than 30% iron and which are therefore not included in the calculation reported above. From a mining technical perspective, these sections will not be able to be left and therefore they have been included in the mineral resources.

Including the tonnage in these poorer sections, the measured mineral resources are calculated as 23.6 million tons with 38.5% iron and 1.9% manganese, the indicated mineral resources as 8.0 million ton with 35.5% iron and 2.2% manganese and the inferred mineral resources as 1.3 million tons with 32.4% iron and 2.0% manganese. The measured and indicated mineral resources taken together total 31.5 million tons with 37.7% iron and 2.0% manganese.

The calculations include 2.4 million tons in residual pillars (calculated from older information). These have been classified as indicated mineral resources.

Ore reserves

Ore reserves have been calculated by adding a waste rock dilution and subtracting an ore loss from the mineral resources in each mineralisation.

The waste rock dilution has been assumed to form a one-metre sheet around each orebody. As the ore losses in connection with the mining of the residual pillars are estimated to be high, the waste rock dilution in connection with mining these has been deemed to be negligible. In total the waste rock dilution has been calculated as approx. 3.0 million tons with 5% iron (approx. 10% of the mineral resources or just under 11% of the mineral resources – ore losses).

The ore losses are related to the mining method, irregularities in the orebodies and the set-off of pillars. The expected ore losses have been calculated for each orebody. They amount in total to 4 753 thousand tons with 36.9% iron and 1.8% manganese, which corresponds to approx. 15% of the mineral resources or just under 14% of the mineral resources + the waste rock dilution.

The proved ore reserves in the Dannemora field have been calculated as 20.6 million tons with 35.1% iron and 1.8% manganese, while the probable ore reserves have been calculated as 7.9 million tons with 35.3% iron and 1.7% manganese (a total of 28.5 million tons with 35.2% iron and 1.8% manganese). The total reserves include some ore in previously set-off pillars and ore which probably cannot be mined before near the end of the mine's lifetime due to its proximity to the shaft.

Planned production

Production from the processing plant during the first and second years of operation is planned to be 0.5 million tons and 1.0 Million tons respectively of lump ore and fines. With full production (the third year of operation) it is calculated that the processing plant will deliver 1.5 million tons of finished products. The planned production consists of 50% lump ore (4-16 mm) with 50% iron and 50% fines (<4 mm) with 55% iron.

Full production requires an incoming tonnage to the processing plant of approx. 2.45 million tons per year. With these assumptions, the calculated ore reserves (28.5 million tons) will allow continual mining for over 12 years. However the probability that the planned prospecting in the mine (MSEK 5.0 per year) will result in additional ore reserves and thereby increase the life of the mine is deemed to be good.

Mining

As was the case before the mine was shut in 1992, the mining method employed in the event that mining operations are restarted will be one that can be categorised as sub-level caving. The orebodies will be developed and mined with sub-level drifts, but in most cases the wall rock will not cave in.

During the first two years of operation, the ore will be transported to the surface via a ramp and crushed above ground before it goes on to the ore processing plant. From the third year of operation (when full production has been achieved) all ore should be able to be crushed below ground and hoisted up via the shaft.

Ore processing

Studies have indicated that although greater investment is required, it will clearly be economically advantageous to build a completely new processing plant building as the operating costs in a new building will be significantly lower than in the existing building.

It was intended in the original plans that the ore from the mine would be processed in a conventional two-stage process comprising magnetic separation and screening (for production of lump ore) and wet-grinding, magnetic separation and dewatering (for production of fines).

The preconditions for carrying out the entire iron ore processing dry, which would significantly reduce both investments and operating costs, are being investigated. Process trials carried out so far indicate that this would be possible.

Process trials also indicate that it may be possible to achieve up to 60% lump ore, which should improve the result as the price of lump ore is higher than the price of fines. If further trials verify that this is possible, a number of minor investments will have to be made in the processing plant.

Investment costs

Investment costs in the mine and the industrial area are calculated as MSEK 650 while investments in the processing plant are calculated as MSEK 147. Investments in connection with pumping out the mine and certain work in the shaft (approx. MSEK 40) come in addition. The total investments amount to just under MSEK 840.

Certain parts of the mining operations can be put out to contract, which would reduce investment costs but increase operating costs. Various alternatives to reduce investment costs through leasing / service agreements with suppliers are being discussed, but these have not been assumed in the feasibility study.

Initial investments are calculated to take place over four years (MSEK 132 in year 0, MSEK 390 in year 1, MSEK 226 in year 2 and MSEK 90 in year 3). It is assumed that reinvestments of MSEK 32 will have to be made in the machinery in year 7.

Operating costs

Operating costs with full production are calculated as SEK 178.49 per ton of processed products FOB Hargshamn or SEK 109.28 per ton of ore (ROM).

Mining costs with full production have been calculated as SEK 107.65 per ton of processed product (SEK 65.91 per ton of ore). Process costs amount to approx. SEK 11.45 per ton of processed product, which equates to SEK 7.01 per ton of ore.

Transport costs, port costs and handling costs have been estimated as SEK 51.50 per ton of finished product or SEK 31.53 per ton of ore. The study has assumed that all transport during the life of the mine will be by truck at a cost of SEK 37.90 per ton for processed products (equates to SEK 23.20 per ton of ore). Dannemora Mineral believes that the railway line between the mine and Hargshamn should be able to be used in the first year of full production (2011/2012), which would considerably reduce transport costs.

Restoration costs have been calculated as MSEK 2.0 per year and prospecting costs in the mine at MSEK 5.0 per year. In the calculation, these costs have been charged to operating costs for a total of SEK 4.66 per ton of processed products or SEK 2.85 per ton of ore.

The lower production during the first two years of operation combined with transport to the surface by ramp and the fact that it is planned that significant parts of the operations in the mine will be undertaken by contractors, means that operating costs per ton in these years will be considerably greater than with full production and transport to the surface via the shaft.

Market and prices

With the growth in steel production that has occurred since 2000, world production has increased over the last seven years from 850 million tons to more than 1 300 million tons in 2007. The largest growth has been, and continues to be, in China where production increased from 126 million tons in 2000 to 489 million tons in 2007. This growth trend is continuing although the percentage increase has tailed off slightly.

World production of iron ore increased in 2006 to 1 500 million tons, which was an increase of 12% compared with 2005. This was the fifth year in a row that iron ore production increased. In 2007 world production is expected to reach 1 650 million tons, a new "all time high" although the increase is not as pronounced as in 2006. Approx. 825 million tons are shipped overseas, primarily from Brazil to Europe and Asia (China) and from Australia to Asia (China).

Iron ore producers had sufficient capacity in the 2000 to 2005 period to cover the increased requirements, but from 2006 and in 2007 in particular the market was characterised by a shortage of iron ore. Analysts believe unanimously that the shortage will continue for one or two more years and we will then see a balance between supply and demand. Price forecasts are consistently positive with expectations of significant increases in 2008.

The intention is that the planned production from the Dannemora Mine will be delivered primarily to steelworks in the local area, that is to say those which import their ore via ports in the Baltic or North Sea region. The local area obviously gives clear advantages in terms of freight costs. The actual iron ore requirements in the local area have been estimated as approx. 100 million tons.

The basis for the iron ore price calculated by Dannemora Mineral, approx. SEK 447 per ton FOB Hargshamn, are the published iron ore prices for 2007 FOB Brazil and Mauritania respectively and actual shipping rates to the Baltic region and Hamburg/ Bremen. Due to the development in the iron ore market it is extremely difficult to make estimations and in view of the high shipping costs in a historical perspective, the actual price has been reduced by approx. 20% (approx. SEK 90 per ton).

The average price of the iron ore products delivered from Dannemora FOB Hargshamn has been set in the study as SEK 358 per ton. The price has not taken into account the fact that Dannemora ore contains relatively high amounts of manganese and that it also has a composition (CaO/SiO₂) that means that some steelwork may be prepared to pay a premium.

The visits made during the year to customers in Scandinavia and Northern Europe confirm that interest exists for a supplier in the local area and for Dannemora Magnetit AB's products.

Economic assessment

If we take the investment and operating costs reported above and an average price FOB Hargshamn of SEK 358 per ton, this gives a net present value of the payments for investments and operational cash flow from the iron ore project of MSEK 956 with a cost of capital of 8%. An approx. 10 % increase in the average price of the iron ore products (to SEK 394 per ton of finished product) gives an NPV of MSEK 1 327 while an approx. 10 % fall in the average price (to SEK 322 per ton of finished product) gives an NPV of MSEK 586.

Rail transport

A number of meetings of the logistics group (Dannemora Magnetit AB, Swedish Rail Administration, Green Cargo and Hargshamn) have been held during the year. The objective of the group's work is to design a logistics concept that is optimal for all parties for the transport of products from the mine to Hargshamn, including loading onboard ship. Swedish Rail Administration is working on its own study with the aim of upgrading the railway line between the harbour and the mine. The study is expected to be completed in March 2008. Green Cargo is studying the design of rolling stock and Hargshamn is reviewing the process for unloading railway wagons and storage and loading equipment. Dannemora Magnetit AB is examining the requirements to upgrade its own rail track and terminal on the industrial site.

Prospecting activity (Dannemora Prospektering AB)

In 2007 Dannemora Prospektering AB has focused a major part of its operations in north-west Uppland. Several project areas have been investigated with geological mapping, surface stripping, sampling, boulder tracing as well as by employing a variety of different geophysical survey methods.

Two regional exploration programmes have been carried out during the year in order to identify new target areas for more detailed study in 2008:

- Surface moraine sampling
- Aerial geophysical measurements with TEM (Time Domain Electro Magnetics) and magnetic equipment

Exploration licences

At the end of the year Dannemora Mineral AB had been granted 19 exploration permits with a total area of 17 760 ha. Of these, 18 are in the county of Uppsala and one in the county of Södermanland. In addition, three new applications for exploration permits have been submitted to the Mining Inspectorate of Sweden. All of the exploration permits, as well as the exploitation concession for the Dannemora field, are owned by the parent company. During the year, five exploration permits have been relinquished as the results of the investigations carried out within these areas does not justify continued investment in prospecting.

Geochemical moraine sampling

In April, an extensive regional surface moraine sampling programme was commenced in north-west Uppland. The aim of this was to identify areas in which the moraine has increased contents of primarily base and precious metals which can indicate that there are mineralisations with these elements in the bedrock. The work was started with a scattered sampling of an area of 700 km². The sub-area within which the moraine proved to contain anomalous metal contents, was then subject to denser sampling. In this way both the credibility of the first anomalous samples could be verified and the area could be demarcated in which a possible mineralisation in the bedrock ought to be found. A total of 424 moraine samples were taken.

The moraine sampling revealed a number of areas with anomalous contents of base metals such as zinc, lead and copper. Also of great interest was that it also resulted in five gold anomalous areas. These lie within the Company's exploration permits for Frebbenbo, Andersbo, Vigelsbo, Hålsinggruvan, Österby and Gruvsjön-Gryttjom.

In order to localise the possible mineralisations that gave rise to the anomalous gold contents in the moraine, Dannemora Prospektering AB is planning to carry out rock chip/bottom till sampling during the first half of 2008. Vertical holes will be drilled with a small drilling machine along lines perpendicular to the direction of the presumed mineralisation. The drill bit is designed so that samples can be taken from both the moraine and the bedrock.

Aerial geophysics

During the autumn, aerial geophysical surveys were conducted within an area of 110 km². The measurements taken by the Danish consulting company SkyTEM, were carried out using a magnetometer and TEM (Time Domain Electromagnetics) equipment carried by a helicopter. TEM measurements can indicate electrically conducting bodies, such as base metal mineralisations, down to a considerable depth (down to 300 m in favourable conditions).

The results of the aerial surveys are positive. A number of anomalies have arisen that could be interpreted as being caused by base metal mineralisations. Several of these also coincide with the anomalous areas that arose in connection with the moraine sampling. During the first half of 2008, Dannemora Prospektering AB intends to investigate the most interesting TEM anomalies by ground surveys and core drilling.

Dannemora exploitation concession

Cores from just over 470 bore holes, which have been stored at Dannemora since the previous period of operation, have been investigated and mapped. Cores from a further 80 holes drilled in the Dannemora field are stored in the drill core archive at the Geological Survey of Sweden (SGU) in Malå. Of these, the cores from 20 bore holes have been studied. In total there are approx. 67 000 metres of drill cores stored from previous mining operations.

830 mineralised sections have been sampled and analysed in connection with the mapping of the drill cores. A number of zinc-mineralised zones have been ascertained. These will be studied in more detail when the mine has been pumped out. In addition, shorter sections have been shown to contain slightly increased amounts of gold (up to 0.62 grams of gold per ton). Visible gold has been found in one of the drill cores.

A detailed bedrock map has been compiled of the southern part of the Dannemora field where the potential of finding new mineralisations with base metals is considered to be highest. Five holes were drilled in this area at the beginning of 2007. However, only weakly mineralised zones with primarily chalcopyrite were found. The

Canadian company, Crone Geophysics & Exploration Ltd. carried out TEM measurements in three of the drill holes on behalf of Dannemora Prospektering AB in the latter part of 2007. These identified, independently of each other, an approximately 200 metre long good electrical conductor which dips approx. 40 degrees in a north-north-west direction and which has its centre at a depth of approx. 130 metres. Core drilling will be carried out in 2008 in order to investigate the reason for the electromagnetic anomaly.

The Forsmark exploration permit

The Forsmark permit area contains a large number of smaller test excavations and small open pits which collectively go under the name of the Norrby mining field. Samples taken from dump heaps next to a small open pit at Ytterängarna during the sampling campaign that Dannemora Prospektering AB conducted in 2006, have revealed high contents of gold. The gold content in the analysed samples varies from one gram per ton up to a maximum of 12.5 grams per ton. The bismuth content varies from 60 grams per ton up to just over 0.7%.

Samples of bedrock and from dump heaps within the permit area during 2007 have further identified an interesting gold-copper mineralisation. Seven samples, taken along the direction of the mineralised zone next to an older open pit, contain between 1.4 and 3.3 grams of gold per ton. In order to investigate the extent of the mineralisation, detailed magnetic and electromagnetic (Slingram) ground measurements have been carried out. Results from these are expected in the beginning of 2008. Survey work carried out so far in the permit area is considered to be so interesting that Dannemora Prospektering AB intends to intensify this work in the area in 2008.

The Vigelsbo exploration permit

A number of iron and sulphide mineralisations are known to exist within the exploration permit. Silvergruvan, which is approx. one kilometre north-west of Vigelsbo iron mines, has been investigated previously by Korsnäs AB. A general sample taken in the bottom of one of the small open pits contained approx. 4.1% lead and 2.0% zinc. Samples from the adjacent dump heap that Dannemora Prospektering AB took in 2006 contain between 1.5 and 9.9% zinc and 0.3 to 4.8% lead.

At Stynsbo, a few kilometres north-west of Silvergruvan, there are one larger and several smaller open pits along a stretch of around 100 metres. During 2006, Dannemora Prospektering AB took samples of chunks from the dump heaps. These contained from a few tenths of grams of gold per ton up to over 46 grams of gold per ton, and had a silver content from 1 gram per ton up to 66 grams per ton. The bismuth content, which varies from a few grams per ton up to 1.5%, is also high. A total of three short holes have been drilled in order to investigate the mineralisation. A narrow gold-bearing zone (5.2 grams of gold per ton in a 0.3 metre core section) was found in one of these.

In 2007, two prospecting ditches were excavated next to the pit in order to gain a better idea of the mineralization. The ditches and excavations, after being cleaned, were mapped and sampled by sawing out samples along lines across the direction of strike.

The mineralisation consists of a 2.5 metre wide north-west – south-east striking magnetite body which is partially gold-bearing. The gold content in the samples taken is a maximum of 3.2 grams per ton (a 3 dm wide section).

During the year, geophysical ground surveys have also been carried out using magnetometer, IP (Induced Polarization) and Slingram. Results from these measurements and mapping in the ditches will form the basis for a planned drilling programme in 2008.

Operative management

During the year, the Dannemora Group has continued to build its organisation in both the Parent Company and the two subsidiary companies.

Parent company

Niklas Kihl, who was previously a financial consultant to the Company, took up the position of Finance Director in October. He has also held this position at a number of companies previously. Kihl joins the company from Meritmind AB. Kihl has a background as an authorised auditor.

Dannemora Magnetit AB

The recruitments made have significantly strengthened the organisation both in regard to the actual marketing of the planned production as well as contributing considerable experience and competence within mining and processing magnetite ores.

Dannemora Magnetit AB's MD Lars Alm was appointed in February. His last position was at Björkdalsgruvan where he was the Site Manager. He has previously held the positions of Vice President Operations at Continental Materials Inc., Technical Director at Greenex A/S, MD of LKAB Torv AB, Site Manager at LKAB's Svappavaara Mine and Mine Manager with Lamco. Lars Alm qualified as a Mining Engineer from the Royal Institute of Technology in Stockholm.

Kjell Klippmark, who is the Site Manager at Dannemora, was appointed in August. He has long and comprehensive experience of both the mining and processing of iron ore from previous positions at LKAB, which included the post of Director of the mines in Kiruna and Malmberget. Klippmark is a graduate engineer from Luleå University and Institute of Technology (M.Sc. Rocks/Minerals).

Jan Vestlund was appointed in August as Marketing and Logistics Manager. His previous positions include Export Director of Karelsky Okatysh JSC (a Russian iron ore producer), Sales Director of Norden (LKAB) and MD of LKAB Far East Pte Ltd. Vestlund has both a M.A. in political studies and a B.A. from Uppsala and Umeå Universities.

Dannemora Prospektering

Lars-Åke Claesson has been engaged on a consultancy basis (80%) as Deputy MD of Dannemora Prospektering. Claesson has long and comprehensive prospecting experience. He has previously been employed as a geologist and project manager with the Geological Survey of Sweden and Sveriges Geologiska AB. He currently holds the position of Deputy MD of Mirab Mineralresources AB where he is also a shareholder. Claesson has a BSc from Uppsala University and the degree of PH. Lic. from Luleå Technical University

Peter Svensson was employed as a geologist in February and was subsequently appointed Prospecting Manager in December. Svensson, who was previously a geologist with Riddarhyttan Resources AB, joins the Company now from a senior position with the prospecting company TM Resources AB. His formal education includes studying ore geology at McQuarie University, Sydney, Australia.

Results and financial position

All the operations of the Dannemora Group during the 2007 financial year have been recorded and reported in the parent company, Dannemora Mineral AB, which is why the report below and the following accounts refer to the parent company. A change in the group's accounting structure has been implemented in January 2008.

Turnover and financial result

As the Company is still in the initial investment phase, like last year, the company has not recorded any operating revenue. The financial result after net financial items for the 2007 financial year amounted to MSEK -10.2 (-2.6). The financial result after net financial items for Q4 October - December 2007 amounted to MSEK -5.3 (-0.9).

Liquidity and cash flow

Cash flow from operating activities during the 2007 financial year amounted to MSEK -7.8 (-2.1). After investment activities of MSEK -18.1 (-4.0) and financing activities of MSEK 79.7 (15.7), cash flow for the period was MSEK 53.8 (9.7). The company's liquid assets at the end of the financial year totalled MSEK 63.5 (9.7).

Cash flow from operating activities during Q4 October - December amounted to MSEK -2.2 (-0.2). After investment activities of MSEK -2.2 (-2.1) and financing activities of MSEK 0.1 (0.0), cash flow for the period was MSEK -4.3 (-2.3).

Investments

Investments during the 2007 financial year totalled MSEK 17.6 (5.9). Of these investments, MSEK 5.6 (1.6) was attributable to prospecting activities and MSEK 11.8 (3.9) to studies connected with future planned mining operations. During the period, prospecting assets have been written down by MSEK 0.3. The write-downs comprise accrued expenses in regard to exploration licences that have been relinquished.

Investments in Q4 October - December 2007 totalled MSEK 1.9 (3.8). Of these investments, MSEK 0.2 (0.0) was attributable to prospecting activities and MSEK 1.7 (3.5) to studies connected with future planned mining operations. During the period, prospecting assets have been written down by MSEK 0.3 million kronor.

Financing

In May 2007 the Company carried out a new share issue which gave the Company funds of MSEK 85.4 million before issue costs. The number of new shares issued was 1 400 000 which increased share capital by SEK 224 000. After the share issue the Company's share capital is SEK 745 600 kronor and the number of shares is 4 660 000.

The Company's shares were listed on the First North equity market in connection with the issue of new shares.

Employees

The average number of employees during the 2007 financial year was 8 (3). The average number of employees in Q4 October – December 2007 was 10 (2). Three of these were women.

Dividend

The Board recommends that no dividend be paid for the 2007 financial year.

Accounting policies

This press release is in accordance with applicable Swedish accounting principles except for that regarding the report of exploration and evaluation assets where IFRS 6 has been applied. The accounting policies in this press release are unchanged in comparison with Dannemora Mineral's last annual report. The Company has not compiled any consolidated accounts with reference to chapter 7 § 3 of the Swedish Annual Accounts Act (ÅRL).

Forthcoming financial information

- The Annual Report for 2007 will be available on the Company's website and can also be ordered from the Company from 21 April 2008.
- The AGM will be held on 8 May 2008 at 17.00 at Stora salen, Jernkontoret, Kungsträdgårdsgatan 10, Stockholm.
- Interim report for the period January – March 2008 will be published on 7 May 2008.
- Interim report for the period January – June 2008 will be published in August 2008.
- Interim report for the period January – September 2008 will be published in November 2008.

Östhammar, 25 February 2008

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

Nils Bernhard, Chairman
Lars-Göran Ohlsson, Managing Director
Nils Sandstedt, Deputy Chairman
Christer Lindberg
Lennart Falk
Niklas Nordström

The technical basis for the feasibility study has been compiled and reported by the following external independent consulting firms: Vattenfall Power Consultant AB, PROing H&J AB and ARRC Geoconsulting AB.

The market analysis and the assessment of the average prices for iron ore products have been carried out by Dannemora Mineral AB.

For more information about the feasibility study, see the press release of 28 January 2008.

Dannemora Mineral AB has two persons (Lars-Göran Ohlsson and Lennart Falk) who are registered by SveMin (Swedish Association of Mines, Mineral and Metal Producers) as "Qualified Persons" (QPs). Lennart Falk is one of the major shareholders of the Company.

This document is a translation of the original Press Release in Swedish. In case of divergence the Swedish version shall have precedence.

This rapport has not been subject to examination by the Company's auditor.

For further information, please contact:

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lars-goran.ohlsson@dannemoramineral.se

Accounts

KEY FIGURES

	Jan-Dec 2007	Jan-Dec 2006	Oct-Dec 2007	Oct-Dec 2006
Profit/loss after financial items, SEK 000	-10 174	-2 630	-5 314	-875
Return on (total) assets, %	-19.6	-30.1	-5.9	-5.6
Return on equity, %	-21.2	-37.0	-6.2	-6.5
Equity, SEK 000	82 668	13 103	82 668	13 103
Equity ratio, %	94.1	80.7	94.1	80.7
Result per share before full dilution, SEK	-2.93	-18.70	-1.14	-5.37
Result per share after full dilution, SEK	-2.88	-18.70	-1.13	-5.37
Outstanding shares on the balance sheet date before full dilution	4 660 000	163 000	4 660 000	163 000
Outstanding shares on the balance sheet date after full dilution	4 720 000	163 000	4 720 000	163 000
Average no. of shares before full dilution	3 470 347	140 666	4 660 000	163 000
Average no. of shares after full dilution	3 530 347	140 666	4 720 000	163 000

INCOME STATEMENTS

Figures in SEK 000	Jan-Dec 2007	Jan-Dec 2006	Oct-Dec 2007	Oct-Dec 2006
Net sales	-	-	-	-
Other external costs	-8 044	-2 706	-3 073	-986
Personnel costs	-3 421	-32	-2 551	-5
Depreciation and amortisation on tangible and intangible assets	-370	-16	-333	-9
Operating profit/loss	-11 835	-2 754	-5 957	-1 000
Interest income and similar income statement items	1 662	125	643	125
Interest expense and similar income statement items	-1	-1	-	-
Profit/loss after financial items	-10 174	-2 630	-5 314	-875
Profit/loss for the period	-10 174	-2 630	-5 314	-875
Result per share before full dilution, SEK	-2.93	-18.70	-1.14	-5.37
Result per share after full dilution, SEK	-2.88	-18.70	-1.13	-5.37

BALANCE SHEETS

Figures in SEK 000	31-12-2007	31-12-2006
ASSETS		
Prospecting and evaluation assets	22 722	5 659
Equipment, tools, fixtures and fittings	257	102
Participations in group companies	200	200
Cash deposits	115	100
Other current receivables	750	471
Prepaid expenses and accrued income	263	29
Cash and bank balances	63 506	9 665
TOTAL ASSETS	87 813	16 226

EQUITY AND LIABILITIES

Equity	82 668	13 103
Accounts payable	3 125	1 306
Other current liabilities	394	223
Accrued expenses and deferred income	1 626	1 594
TOTAL EQUITY AND LIABILITIES	87 813	16 226

Pledged assets	105	105
Contingent liabilities	None	None

CHANGE IN EQUITY

Figures in SEK 000	Jan-Dec 2007	Jan-Dec 2006
Restricted equity		
Opening balance at start of period	1 241	1 200
Bonus issue	359	-
New share issue	224	41
Closing balance at end of period	1 824	1 241

Non-restricted equity

Opening balance at start of period	11 862	-96
Bonus issue	-359	-
New share issue	85 176	15 088
Issue expenses	-5 708	-500
Issue of share warrants	47	-
Profit/loss for the period	-10 174	-2 630
Closing balance at end of period	80 844	11 862
Total equity at the end of period	82 668	13 103

CASH FLOW STATEMENTS

Figures in SEK 000	Jan-Dec 2007	Jan-Dec 2006	Oct-Dec 2007	Oct-Dec 2006
Cash flow from operating activities	-7 805	-2 104	-2 232	-210
Cash flow from investing activities	-18 094	-3 962	-2 191	-2 050
Cash flow from financing activities	79 740	15 729	100	-
Cash flow for the period	53 841	9 663	-4 323	-2 260
Cash and cash equivalents at the start of the year	9 665	2	67 829	11 925
Cash and cash equivalents at the end of the year	63 506	9 665	63 506	9 665

Dannemora Mineral AB is a mining and prospecting company whose primary aim is to resume operations in the Dannemora Iron Mine. In addition, the Company intends to carry on prospecting for base and precious metals in a number of areas in Uppland, Sweden where the probability of finding new workable deposits is deemed to be good.

Dannemora Mineral is comprised, besides the parent company Dannemora Mineral AB, of the wholly-owned subsidiary company Dannemora Magnetit AB, within which the Dannemora Mine is operated, and Dannemora Prospektering AB whose activities cover the regional and local prospecting.

The Company's most important assets are the iron deposits in the Dannemora Mine, and operations in the initial phase will be focused primarily on the planned mining of these.

The Company's Certified Advisor at First North is E. Öhman J:or Fondkommission AB.