
Press Release 15 September 2014

Dannemora Mineral introduces measures to improve liquidity

As previously announced, Dannemora is in need of a bridge financing during the latter part of the extended period of company reorganisation, 13 August to 13 November, to meet liquidity needs throughout the period. Against this background, the operations will be conducted under a temporary production plan that allows the company's financing needs during the remaining period of reorganisation to be covered by self-generated funds.

The temporary production plan means that the normal activities of drilling and construction of tunnels for future mining ceases as of Monday, 15 September 2014. As these are forward-oriented measures the company's ability to produce and deliver iron ore during the reorganisation period is not affected. Delivery capability to customers is therefore unchanged. The time that operations can be conducted according to the temporary production plan exceeds the remaining time of the reorganisation period.

During the summer, the company has developed a new business plan and a new investment model, which show that the planned investments lead to a clear improvement in financial ratios.

Profitability depends on the development of the world market price of iron ore and that the production keeps competitive cost levels. The company believes that the production levels achieved in accordance with the new business plan and investment model can be made at very competitive cost levels and thereby generating good profitability.

The business plan is available at Dannemora Mineral's website under Investors/Reorganisation 2014, and is the starting point in the discussions that the company has and intends to have with financiers and investors to find a strong and long-term solution for the company's future.

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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.