
Press Release 20 October 2014

Dannemora Mineral significantly reduces capital need under revised investment plan

The ongoing efforts to optimize and define the company's investment projects have reduced the company's need for external financing by another SEK 100 million. The total external financing need is now expected to amount to SEK 300 million.

An updated investment plan shows, compared to the plan presented in September 2014, a reduced capital need from SEK 400 million to SEK 300 million.

The fundamental change from the previous plan is that the rebuilding of the sorting plant with a dry step and a wet process will be done in an existing building instead of a new factory building, which significantly reduces the amount of investment capital.

Also, by using the existing industrial building, investments can be implemented gradually, which means that deployment rate increases. As a result, recovery rate of iron ore can reach the target of 58 percent, compared with today's 40 percent, faster than previous estimates. After the investments, Dannemora Mineral is expected to reach a very competitive cost level, which would give profit even at today's low price of iron ore. Estimated cash cost, after investments, is 38 U.S. dollars / ton.

The significantly reduced capital need for the necessary investments - to rebuild the sorting plant to increase the recovery rate and to move crushing below the ground to meet the environmental requirements imposed - means that the number of potential investors can widen. This in turn increases Dannemora Mineral's chances of reaching a settlement.

Additional details are available in the presentation Updated investment and business plan - October 2014, which is available at Dannemora Mineral's website:
www.dannemoramineral.se/en/investors/reorganisation/.

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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.