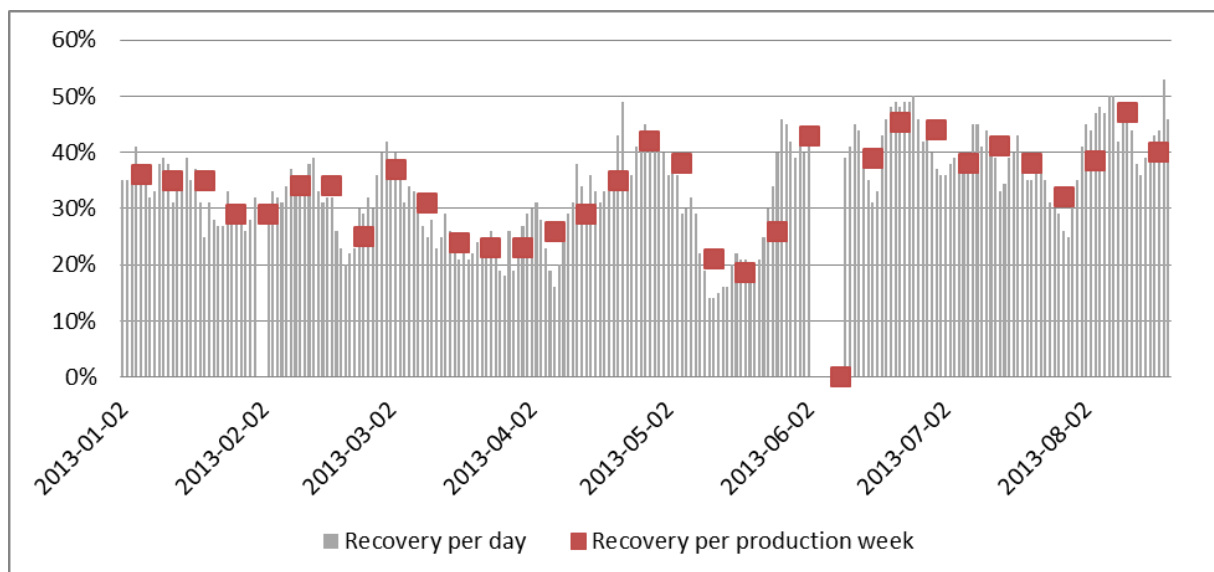


## Press Release 26 August 2013

### An update on production and the current financial situation

Production and recovery from the Dannemora mine have been very positive this summer and better than expected; this was a result of the investment in June and the continual process improvement work. Recovery has been approximately 40 percent. High recovery levels in August together with the cost savings presently indicate a positive EBITDA.

The negotiations with representatives of the company's bondholders have continued. The aim of these negotiations is to work together to produce a plan that will solve the company's financing needs. The first stage was to receive a waiver for a cash balance of at least SEK 50 million. Negotiations are now focusing on the short-term financing of the company's working capital in the third and fourth quarter of this year. Approximately SEK 120 million will be needed in working capital for the rest of 2013, which includes SEK 60 million for interest payments on bonds and convertible loans. In addition the company has initiated a discussion with bondholder's representatives regarding the long term financing.



*For further information, please contact:*

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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.*