
PRESS RELEASE 30 SEPTEMBER 2008

**Dannemora Magnetit enters into agreement for rock work in
Dannemora mine**

Dannemora Magnetit has signed an agreement with Bergteamet AB for completion of the rock work in the Dannemora mine. The work involves ramp placement and pre-production development work.

Mobilisation work is beginning immediately, with ramp placement due to start in December. The rock work will be completed in early 2010.

The new ramp will connect the existing ramp at the Strömsmalm ore with the mine's main level. The ramp, which will connect levels 162 metres and 350 metres, will be approx. 1,600 metres long. The new ramp will open up the mine to transportation, while the facility to bring the ore up from the mine by truck via the ramp will ensure an early production start. The dimensions of the new ramp will be 6 by 4 metres.

The agreement also includes approx. 700 metres of tunnelling for development prior to the start of production. The development work will be carried out in the Strömsmalm ore, which is one of the ores that will be mined in the first production year.

The placement of the new ramp and the development drifts will generate approximately 50 thousand metric ton iron ore. Dannemora Magnetit is now investigating the possibilities to sell the iron ore and other material from the rockworks. Such sales would bring the company early revenue and cash flow.

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

For further information, please contact:

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Dannemora Mineral AB is a mining and exploration company, with the main goal to recommence 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 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, Dannemora Prospektering AB, responsible for all exploration in the Group, and Dannemora Förvaltnings AB, responsible for the Group's property portfolio.

The Company's most important asset is the iron deposit in the Dannemora Mine, and initial activity will be focused primarily on the planned mining of this deposit.

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