

Kaunis Iron Collaborates to Explore Pellet Plant in Narvik

Kaunis Iron, in partnership with Stegra and the Port of Narvik, has entered into a memorandum of understanding to investigate the possibilities of establishing a modern pellet plant in Narvik. The project, which is currently in the early evaluation phase, aims to create a long-term, sustainable production of iron ore pellets, with operations planned to start in 2030.

The future plant would play a central role in the European steel industry's green transition by securing a stronger local supply of direct reduction pellets (DR pellets) for Stegra's facility in Boden. DR pellets are crucial for the steel industry's transition, where Stegra will produce green steel and green iron using green hydrogen.

The facility would also contribute to regional growth and strengthen the international supply chain, which in turn secures Kaunis Iron's long-term operations. Currently, the company exports approximately 70% of its production to Asia, meaning that shipping costs account for a significant portion of the final price. Selling pellets to customers in the Nordics and Europe would lead to more efficient logistics and reduce the company's exposure to future market changes in iron ore.

– "The establishment of a pellet plant in the Nordics represents a strategic opportunity for Kaunis Iron. It will enable a stable supply chain for our customers, streamline logistics, and lower our carbon footprint. Furthermore, demand for DR pellets in Europe is expected to increase, both for direct reduction using hydrogen and through more established technologies. This project thus supports the entire European steel industry," says Klas Dagertun, CEO of Kaunis Iron.

The project area, Narvik Næringspark, strategically located at the former airport near the Port of Narvik, will be developed as a hub for industrial growth and military logistics. Construction is scheduled to begin in 2027.

Photo: Municipality of Narvik

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About Us

Since 2018, we have been operating the iron ore mine in Pajala. With a strong local commitment our ambition is to build a business that is durable in the long term and operates sustainably. To us, this means mining that retains its local roots, creates value for Norrbotten and contributes to community development in Pajala, at the same time as we take a strong position on the world market.