

# Completion of a Definitive Feasibility Study for the restart of operations at the Sydvaranger Mine

**GRANGEX AB (publ) ("Grangex" or "the Company") is today pleased to announce the completion of a Definitive Feasibility Study ("DFS") for the restart of operations at the Company's Sydvaranger mine, located in Kirkenes, Northern Norway (the "Sydvaranger Mine").**

**Key highlights from the DFS include:**

- **Pre-tax NPV8 of US\$1,552m**
- **Pre-Tax IRR of 37.7%**
- **25 years total mine life**
- **Total production of 63.3mt of 70% ultra-high-grade direct reduction magnetite concentrate**
- **Life of mine cash operating cost of US\$56.1/t of concentrate**
- **Phase 1 capital expenditure of US\$193.6m and Phase 2 capital expenditure of US\$223.8m**

The DFS was managed by SLR Consulting ("SLR"), a Tier-1 international multidisciplinary consulting firm, and prepared according to international reporting standards.

Grangex's stated strategy is to restart production of ultra-high-grade direct reduction magnetite concentrate at the Sydvaranger Mine and to become a leading supplier to the European and global steel industries as they undergo the current 'green steel revolution'.

The currently estimated re-start of operations is in 2026 with first commercial exports in late 2026. The DFS has confirmed Sydvaranger Mine's techno-economic feasibility to produce an ultra-high-grade direct reduction magnetite concentrate with an Fe content of 70% with low deleterious elements, with the planned processing circuit upgrades. The Sydvaranger Mine is expected to produce 63.3mt of ultra-high-grade direct reduction magnetite concentrate over its 25 year mine life. All produced concentrate will be exported from the Sydvaranger Mines' captive existing Kirkenes port terminal.

Grangex expects to reach its Final Investment Decision ("FID") by end of 2025 for the commencement of the required construction and refurbishments at the Sydvaranger Mine to enable re-start of operations. FID remains conditional upon successful raising of the required project financing, a process which has been underway since the completion of a previously announced Preliminary Economic Assessment ("PEA"). Further announcements relating to the project financing will be made by the Company as appropriate.

Christer Lindqvist, Chief Executive Officer of Grangex, states: *"It is with great pride that we today announce the successful completion of a positive DFS for Sydvaranger. The DFS confirms Sydvaranger's strong potential to become a world-class producer of ultra-high grade direct reduction magnetite concentrate and an enabler of the European and global steel industries in their shift towards more sustainable production technologies."*

*Grangex was established on the fundamental belief that Scandinavia has the potential to be a leader in the sustainable development and operation of world-class mining assets and since the acquisition of Sydvaranger in May 2024, the entire Grangex team has worked tirelessly to confirm that belief.*

*Sydvaranger will be the largest mining operation in Norway and an economic motor especially for the Finnmark region. I continue to be impressed with the support from the local communities and I look forward to Grangex becoming an integral part of Kirkenes for the next several generations.*

*I would like to thank the SLR team and all other partners that have worked with Grangex to deliver this DFS – their professionalism is a credit to their respective institutions. I of course also have to thank the whole Grangex team for their absolute dedication in delivering this milestone on time and on budget – every single member of Grangex has made a crucial contribution and as we now move towards construction, I look forward to expanding the Grangex family.*

*As we now move to project financing and our target final investment decision by end of 2025, I look forward to providing further updates to all our stakeholders"*

## DFS Summary

The DFS has determined the technical, financial, and operational viability for the implementation of the Sydvaranger Mine. The DFS valued factors such as the ore resource quality, extraction methods, infrastructure needs, environmental impacts, market dynamics process solutions and financial feasibility.

The DFS analyzed the Sydvaranger Mine based on two distinct phases:

<b>Phase 1</b>	Year 1 to Year 4	Early restart using existing infrastructure to produce 2.5 Mtpa of ultra-high-grade direct reduction magnetite concentrate
<b>Phase 2</b>	Year 4 Onwards	Replace and relocate the primary crusher from Pit 1 to new location to produce 3.0mtpa to 3.5mtpa of ultra-high-grade direct reduction magnetite concentrate

A summary of the DFS is presented below:

Pre-tax NPV8	US\$1,522m
Pre-Tax IRR	37.7 %
Phase 1 Capital Expenditure	US\$193.6m
Phase 2 Capital Expenditure	US\$223.8m
Mine Life	25 years

Concentrate Produced	63.3mt
FOB Selling Price (Average over LoM)	US\$138.2/t conc
Life of Mine Cash Operating Cost	US\$56.1/t conc
Concentrate Grade	70.0 %
Ore Mined	161.2mt
Stripping Ratio	2.95
First Shipment	Nov 2026

The DFS Executive Summary is available on the Company's website at [www.grangex.se](http://www.grangex.se) and is attached to this press release.

### DFS vs PEA Summary

On 23 January 2025, Grangex announced the completion of a PEA for the restart of operations at the Sydvaranger Mine. The DFS has confirmed significant upside potential for the Sydvaranger Mine as presented below:

	PEA	DFS	Variance
Pre-tax NPV8	US\$1,215m	US\$1,522m	+US\$307m
Pre-Tax IRR	46.9%	37.7%	-9.2%
Phase 1 Capital Expenditure	US\$104.4m	US\$193.6m	+US\$89.2m
Phase 2 Capital Expenditure	US\$243.5m	US\$223.8m	-US\$19.7m
Mine Life	19 years	25 years	+6 years
Concentrate Produced	54.3mt	63.3mt	+9mt
Life of Mine Cash Operating Cost	US\$61.9/t conc	US\$56.1/t conc	-US\$5.8/t
Concentrate Grade	70%	70%	--
First Shipment	Jan 2027	Nov 2026	2 months

The increase in Phase 1 and total capital expenditure is due to:

- Allocation of US\$48.3m of Capitalized Operating Costs in 2026 to Capital Expenditure (accounted for as Operating Costs in the PEA)
- An accelerated investment schedule with all direct capital expenditure to be completed by December 2028 (vs December 2029 in the PEA).

## Capital Expenditure

Phase 1 capital expenditure for the Sydvaranger Mine has been estimated at US\$193.6m, including US\$48.3m of capitalized operating expenses and a US\$17.9m contingency. Estimates have been based on supplier quotations to within an estimated +/- 10-15% order of accuracy, reviewed and compiled by SLR.

Capital expenditure for mining equipment is based on leasing. The leasing for the mining equipment has been based on a 20% downpayment and the balance payable over the lifetime of the equipment and the monthly leasing cost calculated as operating costs.

	Phase 1	Phase 2
Direct Capital Expenditure	US\$103.6m	US\$164.2m
Indirect Capital Expenditure	US\$14.0m	US\$22.8m
Owner's Costs	US\$9.8m	US\$5.6m
Capitalized Operating Expenses	US\$48.3m	--
Contingency	US\$17.9m	US\$31.2m
<b>Total</b>	<b>US\$193.6m</b>	<b>US\$223.8m</b>

Excluding capitalized mining operating costs from the total initial capital expenditure, the Project contingency totals 15.3%. A schedule contingency allowance of 1 month for Phase 1 and 3 months for Phase 2 has been included.

## Operating Costs

An operating cost estimate for the Project has been developed in accordance with the requirements of NI 43-101 and the CIM Best Practice Guidelines (2019) for feasibility-level studies.

	Life of Mine	
Mining	US\$2,410.7m	US\$38.1/t

Processing	US\$894.8m	US\$14.1/t
G & A	US\$147.2 m	US\$2.3/t
Leasing	US\$99.2m	US\$1.6/t
<b>Total</b>	<b>US\$3,551.9m</b>	<b>US\$56.1/t</b>

## Product Pricing

In order to establish a Kirkenes Port FOB price for the Sydvaranger Mine's production, Grangex retained Fastmarkets, a leading global commodity price reporting agency in the metals and mining space, to conduct an independent market study to confirm the following:

- Forecast price for 2026 to 2045 for the 67.5% iron ore indices
- Forecast Kirkenes Port FOB price for the Sydvaranger concentrate specification

The Kirkenes Port FOB price for the Sydvaranger Mine ultra-high-grade direct reduction magnetite concentrate has been forecast by Fastmarkets as US\$113/t in 2026, rising to a peak of US\$150/t by 2035. The forecast for the period 2026 to 2045 has been utilized in the DFS for the financial analysis of the Sydvaranger Mine.

## Conclusion and Recommendation

Based on the findings of the DFS, SLR recommends that the Sydvaranger Mine proceed to the funding phase, with the expectation of commencing Phase 1 in Q1 2026.

- Sydvaranger Mine as described is economically viable, having achieved consistent profitability in the third year of operation (2029)
- Sydvaranger Mine is technically viable, employing widely used technologies and processes for iron ore production. Mining methods and equipment are conventional and widely used in the mining industry
- There are no significant environmental issues or permits required that could materially hinder development of the Sydvaranger Mine
- The product is marketable and within acceptable specifications for direct reduction smelters. There is an offtake agreement in place for 100% of the production and the concentrates are marketable
- Grangex has invested in an Asset Integrity study and developed an achievable plan to construct, commission, and operate the Sydvaranger Mine for Phase 1 and through to the second phase

## Independent Qualified Persons as defined in NI 43-101

Mineral Reserves Estimation: Mr. Bryan Pullman, P. Eng., Technical Director: Mining Advisory with SLR Consulting UK Ltd.,

Mineral Resource Estimates: Mr. Logan Behuniak, P. Geo., Principal Geologist with SLR Consulting UK Ltd., an Independent Qualified Person (QP) as defined in NI 43-101. Mineral Processing and Engineering: Mr. Bo Arvidson (PhD) of Bo Arvidson Consulting LLC, Colorado, USA.

Environment and Social: Henning Holmstrom, MAusIMM, MAIG, FAMMP, Senior Principal with Geosyntec Consultants, Sweden

### **Attachments**

Definitive Feasibility Study Executive Summary

### **Contacts**

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### **About Us**

*GRANGEX is a Swedish mineral development company with the vision to actively contribute to a sustainable society within Europe. The company strives to become the foremost mineral development group in Europe, developing and conducting responsible extraction and recycling of minerals, primarily iron ore products and other critical minerals for the green transition. Through its products, GRANGEX will contribute to a reduced climate impact while minimising its own environmental and climate impact.*

*The company's share (short name GRANGX) is traded on Nasdaq First North Premier Growth Market Stockholm, with G&W Fondkommission as Certified Adviser.*

*ISIN: SE0018014243*

*For more information [www.grangex.se/](http://www.grangex.se/)*

*This information is information that GRANGEX AB (publ.) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2025-09-01 08:00 CEST.*

### **Attachments**

[Sydvaranger Drift AS DFS Exec Summary](#)