

GRANGEX executes additional US\$9,500,000 royalty agreement with Anglo American

("Grangex" or "the Company") is today pleased to announce that it has executed an additional US\$9,500,000 royalty agreement with Anglo American ("Additional Sydvaranger Royalty"). The proceeds of the Additional Sydvaranger Royalty will be utilized by the Company for the completion of a process to secure project financing for the Sydvaranger Mine post the completion of the currently underway new feasibility study ("Feasibility Study") and for general working capital purposes.

On 6 May 2024, Grangex announced that it had completed the acquisition of 100% of the share capital of Sydvaranger Mining AS ("**Sydvaranger**") from OMF Fund II H Ltd ("**Orion**"). Sydvaranger owns an iron ore mine in Kirkenes, Northern Norway (the "**Sydvaranger Mine**").

As part of the acquisition, Grangex entered into a royalty agreement with Anglo American whereby Anglo American paid to Grangex US\$17,500,000 in exchange for a royalty over the life-of-mine production from the Sydvaranger Mine ("**Sydvaranger Royalty**").

On 6 March 2023, Grangex entered into a royalty agreement with Anglo American, whereby Anglo American paid to Grangex US\$10,000,000 in exchange for a royalty over the life-of-mine production from Dannemora Iron AB ("**Dannemora Royalty**"). Under the terms of Sydvaranger Royalty, Anglo American had the right to transfer the Dannemora Royalty, whereby the payment made by Anglo American under the Dannemora Royalty would be consolidated with the payment made under the Sydvaranger Royalty. On 17 February 2025, Grangex received notification that Anglo American wished to exercise the above-mentioned transfer right. As a result, as of 17 February 2025, the payments made by Anglo American under the Sydvaranger Royalty were a total of US\$27,500,000.

Additional Sydvaranger Royalty

The key terms of the Additional Sydvaranger Royalty are as follows:

- Anglo American will pay a total of US\$9,500,000 to Sydvaranger Mining AS ("**Sydvaranger Mining**"), a wholly owned subsidiary of Grangex Sydvaranger AS, which is a wholly owned subsidiary of Grangex.
- Payments will be made in four tranches to match key milestones in the Feasibility Study.
- Sydvaranger Mining will grant Anglo American a royalty equivalent to 2.0% of the revenue for the life-of-mine production from the Sydvaranger Mine.
- Anglo American has secured 50% of life-of-mine offtake, with the remaining 50% subject to participation in further project financing (as described further below).
- Security for the Additional Sydvaranger Royalty is a pari-passu senior ranking, together with the Sydvaranger Royalty, over the shares and assets of Sydvaranger Mining. No additional security has been provided by Grangex.

- Grangex has the right to repay the Additional Sydvaranger Royalty, together with an agreed early repayment fee, to Anglo American at any time.

The Additional Sydvaranger Royalty contains other such commercial terms as are customary for a contract of this nature.

Tailings Disposal

The Sydvaranger Royalty contained an option for Anglo American to require Sydvaranger Mining to buy back the Sydvaranger Royalty in the event that Sydvaranger Mining chooses to use the currently permitted sub-sea tailings disposal method for the Sydvaranger Mine. The Feasibility Study is currently evaluating alternative tailings disposal methods to be utilized for the Sydvaranger Mine.

As part of the execution of the Additional Sydvaranger Royalty, Grangex and Anglo American have agreed an amendment to the Sydvaranger Royalty. Grangex shall now have a transition period of five years from the earlier of commencement of commercial production or January 2027 for the adoption of an alternative tailings disposal method. In the event that Sydvaranger Mining continues to utilize sub-sea tailings disposal past the five year transition period, or decides to cease further studies into alternative tailings disposal methods during the transition, Anglo American shall have the right to require Grangex to buy back the Sydvaranger Royalty and the Additional Sydvaranger Royalty.

Offtake Agreement

On 6 May 2024, the Company announced it had entered into an offtake agreement ("**Offtake Agreement**") whereby Anglo American will purchase all life-of-mine ultra-high-grade magnetite concentrate production from the Sydvaranger Mine. The Offtake Agreement was to become effective on the date Anglo American participates in the financing for the restart of the Sydvaranger Mine for an amount of at least US\$50,000,000 (such participation subject to necessary due diligence and receipt of approvals, on terms to be agreed).

As part of the execution of the Additional Sydvaranger Royalty, Grangex and Anglo American have agreed an amendment to the Offtake Agreement. Anglo American has secured 50% life-of-mine offtake from the Sydvaranger Mine in exchange for the Additional Sydvaranger Royalty. The remaining 50% life-of-mine offtake will now become effective on the date Anglo American participates in the financing for the restart of the Sydvaranger Mine for an amount of at least US\$25,000,000 (such participation subject to necessary due diligence and receipt of approvals, on terms to be agreed). The reduction in the financing amount reflects the amount of the Additional Sydvaranger Royalty and the materially reduced capital expenditure required for the restart of operations at the Sydvaranger Mine (as confirmed in the preliminary economic assessment published on 23 January 2025). All other terms in the Offtake Agreement remain unchanged.

Feasibility Study

Grangex is currently undertaking a Feasibility Study according to the Canadian standard NI 43-101, managed by SLR Consulting Limited ("**SLR**"), to optimize the restart and operation of the Sydvaranger Mine. The expected completion of the Feasibility Study remains during Q3 2025.

As part of the execution of the Additional Sydvaranger Royalty, an Anglo American technical liaison officer will be appointed to work closely with the Grangex team in restarting operations at Sydvaranger.

Christer Lindqvist, Chief Executive Officer of Grangex, states: *"The execution of the Additional Sydvaranger Royalty is another crucial step towards the eventual restart of operations at Sydvaranger. The additional financial commitment made by Anglo American demonstrates Sydvaranger's position as an iron ore project of global significance. Grangex is now fully financed through the completion of the Feasibility Study and the associated project financing process with minimal dilution for shareholders."*

The ultra-high grade magnetite product to be produced by Sydvaranger, and purchased by Anglo American, will have a material impact as the world's steel industry adopts to more environmentally responsible production methods. I look forward to our deepening relationship with Anglo American to bring Sydvaranger back into production."

Timo Smit, Anglo American's Executive Head of Iron Ore Marketing, states: *"We expect significantly increased demand for high-grade pellet feed and its lower emissions properties as Europe, the Middle East and North Africa continue to lead the way towards DR-based cleaner steelmaking. Sydvaranger is well positioned to meet this increasing demand for DR-grade pellet feed. We are excited to support Grangex to bring Sydvaranger back into production, including working together to explore alternative tailings disposal methods, and to be able to add Sydvaranger's DR-grade pellet feed to Anglo American's already extensive portfolio of premium quality iron ore for greener steelmaking."*

Advisors

Synch Advokat AB acted as Legal Advisor to the Company.

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 2025-06-04 09:55 CEST.