



# GRANGEX signs a USD 10 million Royalty Agreement and a binding term sheet for an Offtake Agreement with Anglo American

Grängesberg Exploration Holding AB (publ) ("GRANGEX" or the "Company") is pleased to announce that the Company, through its wholly owned subsidiary Dannemora Iron AB, today has secured a binding term sheet for an offtake agreement (the "Offtake Agreement") for the entire planned production of low carbon ultra-high-grade magnetite concentrate at the Dannemora mine, with global miner Anglo American. The exclusive Offtake Agreement covers the entire Life of Mine, estimated to 11 years and a production of ~1.0Mt iron ore per year, with an indicative total revenue value of approx. SEK 15 billion, based on today's price level.

In addition, GRANGEX has secured USD 10 million in a royalty agreement with Anglo American, as a condition for the abovementioned offtake agreement. The commercial terms of the royalty agreement are deemed to be in line with market standards. Through the royalty agreement, GRANGEX has now secured a material portion of its pre-construction financing for the restart of the Dannemora mine.

With production start expected in 2025, GRANGEX expects that it will, through the Dannemora iron ore project become the first green producer of highly enriched magnetite concentrate, meeting the quality requirements for the production of sponge iron, a central component enabling green steelmaking. In addition, the concentrate from the Dannemora iron ore mine is expected to have among the lowest carbon footprints in the industry.

In addition to the funding under the royalty agreement, GRANGEX anticipates that Anglo American may potentially participate in the project financing of the Dannemora mine, subject to Anglo American's due diligence outcomes and internal approvals. If Anglo American opts not to participate in the future project financing, it will have to relinquish its offtake rights.

## **Christer Lindqvist, GRANGEX CEO, comments:**

*"We regard the offtake agreement announced today as a clear quality-mark for GRANGEX and Dannemora, having throughout extensive discussions and meetings proven that we reach the ambitious standards and requirements set by Anglo American. Having secured USD 10 million in royalty financing allows us to continue moving quickly forward, following our ambitiously set timeline, for Dannemora to be in full production again by 2025."*

Anglo American is a leading, global mining company with a portfolio of competitive, world class operations and a broad range of future development options. For more information about Anglo American refer to [www.angloamerican.com](http://www.angloamerican.com).

SpareBank 1 Markets AS and Swedbank AB (publ) act as Financial Advisors to the Company for the project financing of the restart of the Dannemora iron ore mine, as well as build-up of the circular apatite project in Grängesberg.

## **Contact person**

Christer Lindqvist, CEO, phone +46 70 591 04 83.

This is information that Grängesberg Exploration Holding 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 person set out above, at 08.30 CET on March 6 2023.

## **About GRANGEX**

*Grängesberg Exploration Holding AB (publ) is a group that investigates the conditions for sustainable extraction of identified mineral projects. The company's business concept is to, primarily, prospect and develop sustainable and high-quality apatite and iron ore deposits and become a sustainable raw material supplier to European industry in the ongoing climate change. GRANGEX intends that the Dannemora mine at the start of operations will be the first carbon dioxide-free iron ore mine, and that the GRANGEX Apatite project in Grängesberg will be the first fossil-free producer of apatite.*

*The Company's share (GRANGX) Is traded on NGM Nordic SME.*

*ISIN-code: SE0018014243*

*FISN-code: GRANGESBER/SH*

*Instrument-ID: 9XX*

*Legal Entity Identifier (LEI) number: 549300MZ7HL7X6AXMC13.*

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