



# GRANGEX enters into an exclusivity agreement to acquire Sydvaranger Mining AS

**GRANGEX AB (“Grangex”) today announces that it has entered into an exclusivity agreement with OMF Fund II H Ltd (“Orion”) for the purposes of negotiating final definitive documentation in relation to the acquisition of 100% of the share capital and shareholder loans of Sydvaranger Mining AS (“Sydvaranger”) from Orion for a total consideration of USD 33 million. Sydvaranger owns a high-grade iron ore mine in Kirkenes, Northern Norway, where Grangex aims to restart production of ultra-high-grade iron ore, in line with its sustainable mining strategy. Orion is a leading private investment fund in the mining industry and as part of the agreement announced today, Grangex has entered the exclusivity agreement with Orion, pursuant to which Grangex will finalize a due diligence process in Sydvaranger. Grangex will be supported in its due diligence of Sydvaranger by leading global mining company Anglo American, which previously entered into a royalty agreement with Dannemora in March 2023. The deal is anticipated to close in H2 2023.**

Sydvaranger Mining AS is a mining company located in Kirkenes, Sør-Varanger Municipality in Finnmark, in northern Norway. Sydvaranger consists of a brownfield iron ore mine (the “Mine”) and a processing plant. The project net present value of the asset is USD 550 million as per the latest Definitive Feasibility Study, calculated using a discount rate of 8%. The asset has substantial infrastructure in place, and benefits from an integrated strategic relationship with the Tschudi Group, a well-recognized Norwegian shipping and logistics company, which has been a partner to Sydvaranger for more than 15 years. In its most recent operating period, the Mine produced an ultra-high-grade 68% magnetite iron ore concentrate with low impurities. The Mine’s high-quality iron ore concentrate product will allow for lower carbon intensive steel production.

Upon the completion of the acquisition, Grangex will work with its strategic partners Anglo American and the Tschudi Group and the Sydvaranger team to analyze the best technical approach for the re-start of mining operations with a name plate production of approx. 4 MT per year of high-grade pellet concentrate, ideally, a fossil free DRI quality.

In addition, Grangex will work with key local, regional, and national stakeholders to ensure collective support and planning for the re-start of the Mine. Grangex views the resumption of operations as supportive for the Norwegian and European Union’s aim to strengthen its raw materials independence and will also be positive for local community and the region.

The acquisition, if completed, will complement Grangex’s Dannemora ultra high-grade iron ore project in the Östhammar municipality in Sweden, and will position Grangex as one of the leading developers of high-grade, low carbon pellet feed production in Scandinavia, making Grangex a key supplier to green steel producers.

Christer Lindqvist, CEO of Grangex, states: “Grangex is delighted to lead this pioneering Nordic cooperation in one of Norway’s most important regions at a crucial time in Europe’s quest for self-reliance in the minerals space. Being well on our way to successfully develop the Dannemora project, we will now proceed with the same speed, energy, and enthusiasm to start an environmentally sustainable and commercially sound iron ore production at Sydvaranger.

The presence of the Tschudi Group in our partnership ensures continuity and a deep understanding of the social and economic conditions and needs in the Kirkenes area. Our collaboration with Anglo American in Dannemora and their ambition to reduce their Scope 3 emissions, serves as a model for the off-take strategy for Sydvaranger. We look forward to reestablishing industrial mining activity in East Finnmark together with all public and private stakeholders.”

Michael Barton, a Managing Partner at Orion, states: “Orion is pleased to announce this initial agreement with Grangex and work toward the completion of the transaction, which will serve as an important step toward the re-start of the Mine. Grangex is a reputable mine developer, which will be a good steward of the Mine moving forward.”

Peter Steiness Larsen, CFO of the Tschudi Group states: “The Tschudi Group is looking forward to working together with Grangex and local stakeholders for the re-opening of the Mine. Our long-term presence in Kirkenes is based on our strong confidence in the potential of the Sydvaranger Mine with its well-maintained world-class infrastructure and local competence. A re-opening of the Sydvaranger Mine is now very important for the local community.”

Clarksons Securities acts as financial advisor (for Orion) in the transaction.

### **Contact person**

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

This information is information that GRANGEX AB 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 08:00 CET on June 29 2023.p0+

### **About GRANGEX AB (publ)**

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

*The company's share (GRANGX) is traded on NGM Nordic SME.*

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