



GRANGEX enters into an agreement to acquire Sydvaranger Mining AS

GRANGEX AB (“Grangex”, “Purchaser”) today announces that it has executed a conditional sale and purchase agreement (“SPA”) with OMF Fund II H Ltd (“Orion”, “Seller”) for 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 an iron ore mine in Kirkenes, Northern Norway, where Grangex aims to restart production of ultra-high-grade magnetite concentrate, in line with its sustainable mining strategy.

On 29 June 2023 Grangex announced the execution of an exclusivity agreement with Orion related to Sydvaranger. Since that date, Grangex has completed positive due diligence on Sydvaranger and negotiated the final terms of the SPA with Orion.

The acquisition of Sydvaranger, as confirmed in the SPA, will be financed by Grangex in two tranches. An initial consideration of US\$20,000,000 (of which US\$1,000,000 has already been paid) will be paid by Grangex by 31 March 2024. A deferred consideration of US\$13,000,000 will be paid by Grangex upon Final Investment Decision (expected in early 2026) to restart operations at Sydvaranger. Grangex will also assume the current care and maintenance costs for Sydvaranger from 1 January 2024. In order to comply with the conditions in the SPA, Grangex will together with its financial advisors commence an immediate process to secure additional financing for the initial consideration, for general working capital purposes and for the continued development of Grangex’s existing Dannemora asset.

Sydvaranger together with the existing Dannemora asset, will enable Grangex to become a leading supplier of ultra high-grade magnetite concentrate and to play a strategic role as the global steel sectors seek more sustainable methods of production.

Sydvaranger is a brownfield integrated iron ore asset located in Kirkenes, Sør-Varanger Municipality in Finnmark, in northern Norway. Sydvaranger benefits from significant existing infrastructure as well as a proven track record of iron ore production dating back to 1910. Grangex intends to finalize a new feasibility study for the production of ultra high-grade magnetite concentrate suitable for Direct Reduction Iron production.

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 developing the Dannemora project, we will now proceed with the same speed, energy, and enthusiasm to start environmentally sustainable and commercially sound iron ore production at Sydvaranger. We look forward to re-establishing industrial mining activity in East Finnmark together with all public and private stakeholders. I thank Orion for their trust in Grangex’s abilities to secure the future of Sydvaranger.”*

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 November 30 2023.

About GRANGEX AB (publ)

GRANGEX AB (publ) is a publicly listed sustainable mineral development company. Grangex seeks to identify, acquire and develop strategic assets that enable the global energy transition. Grangex owns 100% of the Dannemora iron ore mine located in Sweden which is undergoing final feasibility work prior to a Final Investment Decision, expected in 2024.

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

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