



GRANGEX enters into a Royalty Agreement with Anglo American in respect of its proposed acquisition of Sydvaranger Mining

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On 30 November 2023, GRANGEX AB (publ) (“Grangex” or “the Company”) announced that it has executed a conditional sale and purchase agreement (“SPA”) with OMF Fund II H Ltd (“Orion”) for the acquisition of 100% of the share capital and shareholder loans of Sydvaranger Mining AS (“Sydvaranger”). Sydvaranger owns an iron ore mine in Kirkenes, Northern Norway, where Grangex aims to restart production of ultra-high-grade magnetite concentrate (the “Sydvaranger Mine”), in line with its sustainable mining strategy.

Further to that announcement, the Company is today pleased to announce that it has entered into a Royalty Agreement with Anglo American for part-funding the acquisition and for the future development and operation of the Sydvaranger Mine.

Under an exclusive royalty agreement (the “Royalty Agreement”) , Anglo American will pay Grangex US\$17,500,000 in exchange for a royalty over the life-of-mine production from the Sydvaranger Mine.

Anglo American will also support the completion of a new bankable feasibility study (“Feasibility Study”) to optimize the restart and long-term operation of the Sydvaranger Mine.

In addition, Anglo American has the exclusive option to be the life-of-mine off taker/marketer of all production from the Sydvaranger Mine, on the condition that it contributes US\$50,000,000 for financing the restart of the Sydvaranger Mine operations and subject to the completion of further conditions to the satisfaction of Anglo American. Based on a 2020 feasibility study, the Sydvaranger Mine is scheduled to produce up to 4,000,000 tonnes of ultra high-grade magnetite concentrate for a period of 25 years. Grangex and Anglo American are currently working to document the Offtake arrangement into a final agreement prior to 31 March 2024.

Anglo American is a leading, global mining company with a portfolio of world class operations and a broad range of future development options. For more information about Anglo American refer www.angloamerican.com.

This collaboration materially de-risks Grangex’s planned restart of the Sydvaranger Mine and enables the Company to advance in its strategy to become one of Europe’s leading independent suppliers of ultra-high-grade magnetite concentrate for the European and global ‘green steel’ sectors.

Christer Lindqvist, Chief Executive Officer of Grangex, states: “*This is a truly transformational transaction for Grangex. For the world to reach its sustainability targets, global steel making needs to adopt more environmentally responsible production methods. The development of*

high-quality Direct Reduction iron ore projects is at the heart of this 'green steel revolution' and Grangex remains committed to becoming a leading player in this sector.

The combination of Dannemora and Sydvaranger positions Grangex as the leading independent developer of Direct Reduction iron ore projects in Europe and this new strategic collaboration with Anglo American further strengthens our intent to bring these assets back into production to supply the European and global steel sectors.

I am proud of our achievements thus far and would like to thank the Grangex team as well as our advisors for their hard work in reaching this exciting milestone. I look forward to continuing our strong relationship with Anglo American and jointly taking the next steps in this exciting journey together.”

Royalty Agreement

Grangex and Anglo American have entered into an exclusive Royalty Agreement whereby subject to customary conditions, Anglo American will pay Grangex a total of US\$17,500,000 in exchange for a royalty over the life-of-mine production from the Sydvaranger Mine.

The key terms of the Royalty Agreement are as follows:

- Grangex has established a new fully owned subsidiary, Grangex Sydvaranger AS (“Grangex Sydvaranger”), which will own Sydvaranger
- Anglo American will pay up to US\$5,000,000 to Grangex Sydvaranger as part of a first phase of funding.
- Anglo American will pay an additional US\$12,500,000 to Grangex Sydvaranger by latest by 31 March 2024.
- Grangex Sydvaranger will grant Anglo American a royalty equivalent to 3% of the revenue for the life-of-mine production from Sydvaranger.

The total funding of US\$17,500,000 by Anglo American is conditional upon Grangex Sydvaranger securing an equivalent amount of financing by 31 March 2024, and the completion of customary conditions precedent. Grangex and its financial advisors have commenced a process to secure such financing and further market updates will be provided in due course.

The proceeds of the US\$17,500,000 of royalty financing from Anglo American and the matching funding to be raised by Grangex will be utilized by Grangex to complete the acquisition of Sydvaranger, to complete the Feasibility Study and to pay for ongoing expenses at the Sydvaranger Mine during the Feasibility Study period.

Anglo American has an option to require Grangex Sydvaranger to buy-back the royalty in the event that Grangex Sydvaranger chooses to use the currently permitted sub-sea tailings disposal method in relation to the Sydvaranger Mine.

The Royalty Agreement contains other such commercial terms as are customary for a transaction of this nature.

Feasibility Study

Upon closing of the Sydvaranger acquisition on or prior to 31 March 2024, Grangex will commence a Feasibility Study to optimize the restart and long-term operation of the Sydvaranger Mine. The Feasibility Study will work to improve and update the current 2020 feasibility study and is expected to be completed within 12 months.

Grangex and Anglo American will establish a joint working group for the Feasibility Study period and Anglo American will support the completion of the Feasibility Study to optimize the restart and long-term and sustainable operation of the Sydvaranger Mine. The Feasibility Study will also examine and confirm an alternative tailings disposal method to be used that will be

acceptable to both Grangex Sydvaranger and Anglo American.

Advisors

Synch Advokat AB is acting as Legal Advisor to the Company. SpareBank 1 Markets and G&W Fondkommission are acting as Financial Advisors to the Company.

Contact person

Christer Lindqvist, Chief Executive Officer, phone +46 70 591 04 83.

This 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 person set out above, at 14:20 CET on December 22 2023.

GRANGEX AB (publ)

Grangex is a sustainable mineral development company headquartered in Stockholm, Sweden. Grangex is listed on the Nordic Growth Market Nordic SME Exchange. Grangex seeks to identify, acquire and develop strategic mineral assets that enable the global energy transition.

Grangex owns 100% of the Dannemora iron ore project in Sweden which is undergoing an update to a final feasibility study prior to a Final Investment Decision, expected in 2024.

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