

Press release May 15th 2013

## **Mining concession granted for the Grängesberg iron ore mine**

**The Swedish Mining Inspectorate has granted Grängesberg Iron AB a mining concession for the iron ore mine in Grängesberg, in the mineral-rich Bergslagen district of central Sweden. The granted mining concession is an important milestone on the road towards re-opening the historic Grängesberg iron ore mine.**

“The decision by the Chief Mine Inspector of Sweden is a big step towards re-opening one of Sweden’s largest iron ore mines”, says Gösta Bergman, Chairman of the Board of Grängesberg Iron AB. “Until the closure in 1989, the Grängesberg mine was the third largest iron ore mine in Sweden, next only to the Kiruna and Malmborget mines in the north of Sweden. The re-opening will grow to become one of the main industrial projects in Scandinavia.”

According to the Swedish Minerals Act, an exploitation (mining) concession is granted by the Chief Mine Inspector of Sweden, if a mineral deposit has been discovered that can most likely be mined economically, and the deposit is located in an area that is suitable for mining activities. An exploitation concession is valid for 25 years, and is then automatically renewed every ten years if mining is on-going. The application for the exploitation concession contains a preliminary environmental impact assessment.

The homogenous iron ore body in Grängesberg is of significant size and of the geological Kiruna type, making it well suited for cost-effective production of attractive iron ore products, primarily pellets.

### **Planning for production**

“The mining concession allows Grängesberg Iron to better define the development timeline”, says Petter Eriksson, CEO of Grängesberg Iron AB. “An environmental permit is the next major step for the project, and an application is under completion, to be submitted to the Environmental Court at the end of this year.”

Apart from preparing the application for the environmental permit, procurement is on-going for a Bankable Feasibility Study, to be completed during 2014.

Grängesberg Iron AB was founded in 2007 with the target of re-opening the historic iron ore mine in Grängesberg, which was closed in 1989. The Grängesberg mine project has so far defined 115.2 Mton of Indicated (40.2 %Fe) and 33.1 Mton of Inferred (45.2 %Fe) iron ore Mineral Resources, currently calculated to a minimum of 82.4 Mton of Probable Mineral Reserves at an average grade 37.2 %Fe, according to mineral resource and mineral reserve estimations, conforming to CIM (2010) definitions, in the Grängesberg iron ore mine project Pre-Feasibility Study of 2012. The start of production is planned for late 2016.

For more information, please contact John Thowman, press contact Grängesberg Iron AB, +46 70-336 70 74, [info@grangesberg.com](mailto:info@grangesberg.com) or [www.grangesberg.com](http://www.grangesberg.com)

***Grängesberg Iron AB plans to re-open the historic Grängesberg mine and turn it into a profitable iron ore mine for delivering more than 2.5 Mt high-quality iron ore products per year to the European and Middle East markets. [www.grangesberg.com](http://www.grangesberg.com)***