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Agreement between Grängesberg Iron and the Swedish Transport Administration

Mining company Grängesberg Iron AB and the Swedish Transport Administration have signed a co-operation agreement on investigations regarding future ore train traffic between the iron ore mine in Grängesberg and the Port of Oxelösund. The mining operations in Grängesberg are planned for a re-start by 2015, with the aim of producing 2.5 million tonnes of iron ore products per year.

“With the co-operation agreement, the framework is now set for analysing the possibilities of transporting the ore products from the mine to the port”, says Kenth Nilsson of the Swedish Transport Administration.

The historic iron ore mine in Grängesberg was closed in 1989. Preparations for re-starting the mining operations are now on-going. The available mineral resources allow for possibilities of nearly 20 years of mining, with a potential for more. Certain preliminary investigations regarding the ore traffic has already been conducted. The co-operation agreement now defines the future investigation work in detail. The results are to be presented during the first quarter of 2012, with a further aim of establishing an implementation agreement.

Investigations regarding ore traffic to the Port of Oxelösund

“Rail transport is a very important part of an iron ore project, due to the large tonnage to be transported”, says Gösta Bergman, Chairman of the Board of Grängesberg Iron AB. Oxelösund has the most suitable Swedish port for this project and the co-operation agreement is a significant step towards transporting a yearly 2.5 million tonnes of iron ore products to that port.

Some of the most important parts of the co-operation agreement between Grängesberg Iron AB and the Swedish Transport Administration define traffic-, capacity- and functional analyses regarding the planned rail traffic, including upgrading the connection of the marshalling yard at the mine in Grängesberg.

For further information please contact:

For Grängesberg Iron AB:

John Thoweman, press contact, +46 70-336 70 74, info@grangesberg.com

For the Swedish Transport Administration:

Kenth Nilsson, Railway Strategist, Market and Planning, Swedish Transport Administration,

+46 70-636 54 30

kenth.nilsson@trafikverket.se

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

The Swedish Transport Administration is the agency responsible for long-term planning regarding all modes of traffic in Sweden, road, rail, sea and air, together with building, maintaining and operating state roads and railways. www.trafikverket.se