

From Challenges to Opportunities

We operate in an international market currently characterized by lower iron ore prices, higher freight costs, and a weakened US dollar compared with recent years. This impacts our profitability, while management is simultaneously working to create the best possible conditions for sustainable, long-term mining operations in Tornedalen.

“We are proud of the value we create together with our employees and contractors. At the same time, it is important to be transparent about the challenges we face and how we plan for the future,” says Klas Dagertun, CEO of Kaunis Iron.

Tapuli continues to create value

The ore in Tapuli remains the foundation of our current operations. The possibility of a production pause has been part of the company’s strategy ever since the restart of mining operations, but for now, the focus is on maximizing the value Tapuli generates. We are not planning any production cuts; rather, we expect to produce more finished product next year.

A production halt may be likely in the future

We also want to be open about the fact that a production halt between Tapuli and other deposits is likely. Such a halt would not last for days or weeks, but for a longer period. This is closely linked to the prolonged permitting process, which has affected our ability to prepare for the opening of new deposits. Whether a halt occurs, and how long it might last, will depend on the strategic path we decide to pursue.

Strategic work for the future

This autumn, extensive strategic work is underway with the goal of presenting a main direction for the future at year-end. The work includes further development of Tapuli, opportunities in other deposits, our position in the value chain, and a review of alternative logistics solutions such as a pipeline.

Focus on what we can influence

With a challenging market situation and a likely production halt between Tapuli and the opening of other deposits, we must focus on what we can actually influence. This means using our resources wisely, managing Tapuli in the best possible way, and creating the conditions for long-term operations in Tornedalen.

“We take responsibility for adapting to reality, with the goal of enabling sustainable mining operations in Tornedalen,” says Klas Dagertun.

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