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PRESS RELEASE

Kaunis Holding AB acquires Abecede AB and remaining assets in the Northland Resources AB estate

Kaunis Holding AB has acquired Abecede AB and remaining assets in the Northland Resources AB liquidated estate. The company now has all the required permits to restart the iron ore mine in Pajala, which is planned for summer 2018, with the first shipment to the customer later the same year.

Kaunis Holding AB has today acquired Abecede AB and all remaining assets in the Northland Resources AB liquidated estate. Through the acquisition, Abecede AB changes its name to Kaunis Iron AB. This means that Kaunis Iron now holds the environmental permit required to restart mining operations in Kaunisvaara. The company has also submitted an application to the County Administrative Board regarding its take-over as operator.

“Today we reached an important milestone in restarting the mine, and we are looking forward to starting production. We are pleased to now have so many experienced and successful contractors expressing interest in contributing to the re-start. To be involved and to contribute to positive developments in Pajala and Tornedalen and create these so important jobs, it feels fantastic,” says Anders Sundström, chair of the board, Kaunis Iron AB.

Northland Resources AB operated the iron ore mine in Kaunisvaara from 2012, until its bankruptcy in December 2014. Through this acquisition, Sweden's biggest bankruptcy of all time can now be resolved.

“I'm very pleased that we are now able to carry out this process, together with Kaunis Iron AB and that we are thereby creating opportunities for continued mining operations. I would like at the same time to express my gratitude to all those people who in different ways have worked hard and untiringly for us to arrive at this point,” says the official receiver Hans Andersson.

For Kaunis Iron, plans are progressing to restart production during summer 2018, with the first shipment to the customer later the same year. The acquisition brings a valid environmental permit for the operations. Furthermore, within 12 months of production start, the company will draft an application for a new environmental permit, which will also cover the Sahavaara deposit.

“We are now in the middle of the process of building up the operational organisation and finalising agreements with the contractors who are going to be an important part of our production chain. It is pleasing to be able to notify everyone who has supported us along the



way and who have never stopped believing in the future of mining operations in Kaunisvaara,” says Åsa Allan, Pajala resident and site manager of the mine in Kaunisvaara.

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