



Oct 10, 2020 08:00 UTC

1,200 MSEK (115 MEUR) investment in Kaunisvaara-Svappavaara roads

The Swedish Transport Administration and Kaunis Iron AB have signed an agreement under which Kaunis Iron will contribute 127 MSEK to reinforcement and rerouting of the road stretch between Kaunisvaara and Svappavaara.

The new co-funding agreement which the Transport Administration and Kaunis Iron have signed amounts to 1,173 MSEK in all, of which Kaunis Iron is contributing 127 MSEK.

“It feels extremely pleasing to have finalised this agreement. It means we can

build a road with high load classification, which leads to increased safety for road users and local residents. A reduced number of passing vehicles reduces the risk of accidents,” says Helena Eriksson, regional director at the Swedish Transport Administration.

Kaunis Iron operates ore transport from the mine in Kaunisvaara to the reloading terminal in Svappavaara. Today’s roads do not have the load-bearing capacity and standard for long-term heavy transportation. The roads are therefore being rebuilt now to increase load-bearing capacity, driveability and road safety.

“Naturally we will do everything we can to exclude risks and improve the stretches we use. We want to take our responsibility to contribute towards increased road safety for everyone driving vehicles on the stretch in question,” says Klas Dagertun, CEO of Kaunis Iron AB.

In brief, the agreement means that the transport administration provides the funding to “upgrade” the road for transports weighing up to 74 t (BK4). Kaunis Iron finances the cost of adaptations needed to handle use by vehicles with a gross weight of 90 t.

In addition, the mining company will finance increased maintenance at an annual cost of 6 MSEK on the stretch in question, which means among other things a higher standard of winter road clearance. Kaunis Iron will still need to apply for dispensation to operate ore transports.

In addition to actions to increase load-bearing capacity on the roads, the bridges over the rivers Torne and Tjärendö need to be replaced. The project includes the construction of bypasses at Vittangi and Masugnsbyn that give a shorter transport route, improved driveability and enhanced safety for unprotected road users.

In Pajala, 10 miles north of the Arctic Circle and in the middle of beautiful Tornedalen, you will find Kaunis Iron.

We are a new and modern mining company that mines iron ore, which we then refine and sell to the world market. Our unique iron ore concentrate, with its quality and environmental advantages, is already in high demand

among the world's steel mills.

The aim is an annual production corresponding to 2.1 million tonnes of finished product.

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