

Correction of facts regarding the Kiruna transformation

When reading the article “The Swedish Town Being Swallowed By the Earth”, we at LKAB could not help noticing some errors in reference to this extraordinary process. We wish to bring this to your attention. The process is undoubtedly very complex, but since the matter is so important to us and the people of Kiruna, we want the correct facts to be clarified.

“The problem with aggressively mining one specific site...”

– The mine in Kiruna is not being mined aggressively. On the contrary, it is one of the mines in the world with the least impact on the surroundings and on global climate. Please read more about our strategy for sustainable development here:

<http://www.lkab.com/Global/Documents/Strategi/Strategy/Sustainable%20development.pdf>

As for the statement “one specific site”, every mining company has to mine where the ore is located. We cannot move the orebody.

“... a huge crack caused by extensive digging is now moving towards the suburbs and threatening to swallow up thousands of homes...”

– There is no single huge crack; it is an open pit that was mined from the surface during the years 1900-1962, before we went underground. There are deformations moving towards the town; that is why it has to be moved. No homes are threatened to fall into any crack. They will be removed many years before the deformations reach the area.

Here, you can read about deformations caused by the mine:

<http://www.lkab.com/en/Future/Urban-Transformations/Why/Deformations/>

More on open pit mining here:

http://en.wikipedia.org/wiki/Open-pit_mining

“...no one wants to buy a house that's about to disappear...”

– On the contrary, there is a huge demand for houses in Kiruna, including the ones LKAB will buy in the future, as the prices LKAB is paying for the houses are so high. And as soon as a home is out on the free market, it is sold at once – this includes the ones closest to the mine. The property values in Kiruna have tripled over the last ten years, thanks to the mining industry guaranteeing jobs and high incomes.

“...take a fixed government payout and move away...”

– There is no “fixed government payout”. LKAB is buying houses from the owners in voluntary agreements. There are property valuations being made (by independent property experts) and 25 percent of the value is added to the price, following Swedish expropriation law (even though we are not expropriating, but buying the homes). And the values have tripled over the last ten years, as noted, not despite the mine but thanks to it.

Here, you can read more:

<http://www.lkab.com/en/Future/Urban-Transformations/How/House-Purchase/>

“I think it's the world's biggest iron ore mine”

– It is the world's largest underground iron ore mine. But there are open pit iron ore mines many times bigger in Australia and Brazil, for example. Deliveries from LKAB account for no more than about 2 percent of the world market for iron ore.

Here, you can read more about the Kiruna mine:

<http://www.lkab.com/en/About-us/Overview/Operations-Areas/Kiruna/>

And the mining operations:

<http://www.lkab.com/en/About-us/Overview/Mining/>

“...there were definitely mines there since before the town was founded in 1900.”

–There were attempts to start mines, but they were never established, as the problem of transporting the iron ore away from Kiruna wasn't solved until the railroad was completed in 1899.

Here, you can read more about the history of LKAB:

<http://www.lkab.com/en/About-us/The-history/>

For more info on the processes for the transformation of Kiruna, please visit the LKAB website:

<http://www.lkab.com/en/Future/Urban-Transformations/>

or the website of Kiruna municipality:

<http://kiruna.se/Stadsomvandling/City-in-transformation/>

Anders Lindberg, General Manager Corporate Communications, LKAB