

FOR IMMEDIATE RELEASE

Mesabi Metallics Files Suit Against DNR to Ensure Nashwauk Project Proceeds

NASHWAUK, Minn. (May 28, 2021) — Mesabi Metallics LLC (“Mesabi Metallics”) today filed a lawsuit in Ramsey County District Court against the Minnesota Department of Natural Resources (“DNR”) asking the court for an order that would prevent the DNR from taking further actions to terminate mineral leases held by Mesabi Metallics and require the DNR to recognize the effectiveness of a 2020 Master Lease Amendment between Mesabi Metallics and the DNR.

Mesabi Metallics has complied with all material terms of the Master Lease Amendment and has already begun ramping up construction of a seven million tons per annum fully integrated iron ore pellet production facility in Nashwauk on the western Mesabi Range in northern Minnesota. This facility is expected to produce high-grade direct reduction and blast furnace pellets. Mesabi Metallics has approximately 40 employees and contract workers on site, and this number is expected to increase to into the hundreds by next spring and eventually, 1,000 construction jobs. Completion of the Nashwauk project will bring more than 350 full-time jobs and about 800 spin-off jobs to a site that closed 35 years ago.

Mesabi Metallics has at all times negotiated with the DNR in good faith and will continue to do so. Unfortunately, the DNR has taken positions related to Mesabi Metallics’ compliance with the 2020 Master Lease Amendment that are commercially unreasonable and not in the best interest of the State of Minnesota. Mesabi Metallics is confident that the recent actions of the DNR fail to meet the legal standard of reasonableness required of the DNR as a party to the Master Lease Amendment, and as a state agency that must manage Minnesota’s resources in an even-handed manner for the good of the state and its residents. The Mesabi Metallics project is precisely what the DNR’s mission statement says the DNR exists to support, yet the DNR in this instance is failing to abide by its own mission.

The DNR’s actions in recent weeks demonstrate both a failure to meet the legal standards, but more importantly, a failure to meet a standard of common sense and fair play that all Minnesotans understand. Should the DNR be allowed to stop construction of the most advanced mine on the Iron Range? Should the DNR walk away from the table when informed that the money would be deposited within three days of the DNR withdrawing the notice of termination? Should the DNR be permitted to try to stop the only viable means of reopening a mine shut down 35 years ago and, in so doing, threaten 1,000 well-paying construction jobs and more than 350 well-paying, multi-generation operations jobs? Of course not.

A lawsuit is never the preferred option, but in this situation it is necessary to ensure that construction can proceed on the timeline agreed to by Mesabi Metallics and the DNR in the Master Lease Amendment. Mesabi Metallics is asking the court to prohibit the DNR from taking further actions attempting to terminate the mineral leases, and for the court to declare that the Master Lease Amendment is valid and effective.

It is Mesabi Metallics' continued hope that the DNR will return to the negotiating table in good faith so that all of the stakeholders who support this project can get to work completing a mine that will redefine the economy of the Iron Range for generations to come. One can always look at a glass and say it is half empty, but it is also possible in a spirit of positivity to say it is half full with the ability at hand to fill it completely.

About Mesabi Metallics

Mesabi Metallics is building a 7-million tons per annum taconite mining and pelletization project in Nashwauk, Minnesota. This is the first such project in the Mesabi Range in the last few decades and at the site of the old Butler mine, which closed 35 years ago. Construction will produce up to 1,000 well-paying jobs. This project is more than 50 percent complete and when finished, will be the largest ever in Minnesota with more than \$2.5 billion invested in it. To this end, Mesabi Metallics has already invested more than \$1.5 million and more than 3 million man-hours of construction completed. The project is expected to be completed within three years.

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