

Laurentian Vision Partnership

Meeting LXVII Report

"Planning and Project Implementation 2018"

Laurentian Vision Partnership
Transforming pits and piles into lakes and landscapes

Wednesday, January 17, 2018
Mining and Reclamation Classroom I Chisholm, Minnesota

Laurentian Vision Partnership
Meeting LXVII
January 17, 2018

“Planning and Project Implementation 2018”

MEETING OBJECTIVE

The Facilitator reviewed the past meeting results and next steps, highlighted meeting objectives and went over the agenda for today's meeting.

Northeastern Minnesota's mining industry and the communities that have grown out of natural resource development are facing changing landscapes, issues and opportunities. Impacted by global and national factors, existing Iron Range mines and proposed resource-based projects are embracing new challenges to remain globally competitive and operate with a social license to mine. Communities facing land use issues and seeking to provide residents with a high-quality of life are advancing new business, community and recreational projects by cooperatively solving land use issues. LVP, by convening stakeholders in timely discussions, seeks to collaboratively address the needs of communities, mining operations, resource management, land retention, reclamation, environmental permitting, local revenue generation and land reuse.

The focus of this meeting is on several major topics related to major land use planning underway in St Louis County and its potential impacts and policy implications; an update on PolyMet mine permitting as the draft Permit to Mine and Financial Assurance documents have been released by MnDNR for public review and comment; learn about recent federal legislative efforts by Jobs for Minnesotans and others impacting mining in the region; and an update on the evolving ERP Iron Ore and Chippewa Capital development projects. We will hear updates on Minescape Projects and be introduced to an effort by IRRR to leverage marketing opportunities tied to the International Society of Mining Engineers (SME) conference to be held in Minnesota this spring. Finally, we will hear progress reports from regional groups and work groups on several timely items of interest.

MEETING SUMMARY

Laurentian Partnership Debriefing

- Participant introductions and expectations
- Opening comments
- Review of Meeting LXVI results and next steps (September 2017)
- Overview of meeting objective and agenda

P R E S E N T A T I O N

St. Louis County Comprehensive Land Use Plan Process

Mary Anderson

Jenny Bourbonais

Land Use Manager, St. Louis County

Senior Planner, St. Louis County

Mary and Jenny shared a PowerPoint presentation highlighting the status, some initial findings and the next steps involved in developing the comprehensive land use plan for St. Louis County, outside of the cities. The plan was last done in the 1970s and today consists of twenty-seven different land use plans for the county. Explained that the process began with focus groups on key topics of interest which then led to the current conditions analysis which was underway during much of 2017 and will be completed in February 2018. Draft goals and policies will be prepared between March and May 2018 followed by public input sessions over the summer and a public hearing in November with adoption by the County Board in December 2018. Currently Version 3 of the Draft Plan Analysis is on the county web site. Some of the findings thus far is the large amount of residential zoning in rural areas with over a million acres zoned as such today. Shared a map highlighting the analysis work done for both future concepts for industrial development and for the mining impact area which covers the iron formation and along the formation. Looking forward they expect to reconvene focus groups to formulate goals and policies based on the trends and concept analysis work. Addressed several questions related to the work so far including inclusion of the Duluth Complex in the plan; protection of timber resources for revenue development; coordination around city boundaries; will there be a mine overlay type district like Itasca County has in place, planning for broadband service when determining residential areas; and how much influence will the public hearings have on the plan? Members were encouraged to go online and review the work done to date and participate in setting the goals and policies and concept plan focus areas this spring and summer which will set the framework for the plan. That's the time to have the most impact.

Mary and Jenny's presentation was well received by members; a copy of the PowerPoint presentation is available on the LVP website at www.lvpmn.org.

P R E S E N T A T I O N

PolyMet Mining Update

LaTisha Gietzen

Director of Public and Community Affairs, PolyMet Mining

LaTisha shared an update on the state permitting process, USFS land exchange and US Army Corps of Engineers 404 permit and decision of record action after the MPCA permits are issued. Described the land exchange need and the administrative process underway by the USFS and efforts to pass legislation to end the lawsuits pending. There has been a major effort over the last year to get this work done. Shifted the discussion to the seven pending state permits and their status related to dams, water appropriation, Permit to Mine and others. The major draft Permit to Mine was just released by MnDNR with the MPCA getting ready to release draft permits for air, water and 401 certifications expected soon. We expect to have a joint set of hearings on these permits in February in Aurora and Duluth on February 7 and 8. Explained the substance of the Permit to Mine which includes the financial assurance requirements to address a situation where the project goes bankrupt and the state closes and takes care of the site. Went on to highlight the review process including the possibility of a contested case and evidentiary hearings and how and why that would be considered and what would need to happen. Went over the major MPCA permits for water, air and 401 related to water quality and wetlands. These will be released soon which means all the already approved and pending permits will be available online to review. Addressed several questions on the dams permit, Downstream group in Duluth and possible protests, and wetland impacts

Several members commented on the upcoming hearings on the Permit to Mine and MPCA draft permits and encouraged attendance. They announced that buses will be available to travel to Duluth. We want to have a lot of local voices heard both in Aurora, but more importantly in Duluth. More information will be shared for oral and written testimony at the hearings and how to access a bus ride if needed.

Latisha's presentation was timely and much appreciated by members. The presentation was not available, and members encouraged to visit the MDNR and MPCA project information sites online at the respective agencies for additional information.

P R E S E N T A T I O N

Twin Metals Leases and Federal Legislation Update

Nancy Norr

Economic Development Director, Minnesota Power and Chair,
Jobs for Minnesotans

Nancy shared a PowerPoint presentation which started by explaining the effort by the USFS and BLM to withdraw lands and minerals in NE Minnesota from future leasing, exploration and potential development. The potential impact of this action was addressed, and the status of the process shared including the public hearings held in 2017 and two-year environmental study. That withdrawal proposal is still pending today and groups like RAMS and Jobs for Minnesotans are working with our congressional leaders to rescind the withdrawal proposal. Discussion shifted to Twin Metals Mining (TMM) and their efforts to renew federal mineral leases. Share background on the proposed mining project and a timeline of the federal minerals leasing that goes back to the 1960s and most recent request to renew the leases in 2016. In 2016 the Department of the Interior (DOI) issued an opinion that the USFS and BLM would have discretion over issuance of the lease renewals and they decided in late 2016 not to renew the leases. This action was legally challenged by TMM. In late 2017 DOI issued a new legal opinion reaffirming TMM's right to renew its federal mineral leases and TMM dismissed its federal lawsuit. TMM is now working with the agencies to renew the leases and continue its efforts to work on the Mine Plan of Operation expected in the next two years. The final topic covered was Minnesota's Economic Rights in the Superior National Forest Act (MINER Act) designed to reverse an Obama Administration proposal. The bill was passed in the US House in late November and is working through a committee process in the Senate. Comments were also shared by Dave Lislegard with Jobs for Minnesota and Steve Giorgi with RAMS that have both been working on these issues and challenges and how important it has been to have a voice and push back on these agency administrative actions.

Nancy's presentation was well received, a copy of the PowerPoint presentation is available on the LVP website at www.lvpmn.org.

P R E S E N T A T I O N

ERP Iron Ore and Chippewa Capital Project Update

Robb Bigelow

Managing Director, ERP Iron Ore LLC

Rob shared an update on both the Nashwauk Project and ERP Iron Ore former Magnetation Project. He described the status of the Nashwauk project and recent payment of \$46.5 million to local contractors that were owed that money and could be addressed

once out of bankruptcy. Currently working on engineering to construct the balance of the project and accelerate market development for off take contract opportunities. They are targeting value added iron opportunities with China and a captive market that can be served by this mine. Addressed questions on the status of the existing infrastructure and how it fits with their plans and re-permitting needs; pig iron prices and competitiveness in the marketplace; how HBI fits in all this and will meet electric arc furnace needs, and next steps to meet the Governor's requests. The conversation shifted to ERP Iron Ore and the problems in Indiana and its impact on current operations and future operations here. Shared what happened in Indiana with environmental violations and the cost involved to fix the problem, and why they have had to delay ramp up as previously announced. Nothing has been started yet at the Plant 4 site. Stay tuned for more details in the future as we work on both projects.

Rob's presentation was well received. There will not be a copy of the PowerPoint presentation available on the LVP website.

PARTNERSHIP PRIORITIES

Regional Group Action Progress Reports

The following Regional Groups were present and provided an update on their major activities related to LVP. Copies of the handouts are available on the LVP website at www.lvpmn.org.

REGIONAL GROUP	CURRENT PROJECTS
<p>Western Mesabi Mine Planning Board (WMMPB) Doug Learmont, Director</p>	<ul style="list-style-type: none"> · Highlighted several major initiatives and their status including completion of the Highway 169 four lane Cross Range Expressway project near Taconite with 1.5 miles recently done and nine miles remaining; work is continuing on the captive rail issues that is currently focused on the west end now and is in process; and concluded with work to develop an alternate management plan for the Hill Annex State Park that can retain the iron reserve for future mining, address rising water levels and retaining the site for tourism and historical retention purposes. A work group prepared and has recently submitted to MDNR and the legislature an optional management to accomplish these objectives. More funding is being sought and flexibility in assessing options and feasibility.
<p>Central Iron Range Initiative (CIRI) John Fedo, Member</p>	<ul style="list-style-type: none"> · Updated members on the \$600,000 Brownfield Project which is now 18-months along involving eleven communities across the Range. Shared a concern about recent cutbacks at the EPA and concluded by highlighting the impact this project is having in leveraging jobs and investment.
<p>East Range Joint Powers Board (ERJPB) Curt Anttila, Coordinator</p>	<ul style="list-style-type: none"> · PolyMet Mining will be the focus of the area over the next few months as the permits and hearings take center stage. Work is accelerating to market the Laskin Energy Park in cooperation with IRRR and MP with several new prospects in play; a comprehensive plan has been completed for the East Range and the land use components being implemented; there is a major emphasis being place on recreation trail development to complement and leverage work going on at Giants Ridge. All positive developments.
<p>Quad Cities Melissa Cox, Executive Director, Laurentian Chamber</p>	<ul style="list-style-type: none"> · Over the past five months as the new Director the area is focused on engaging and assessing members needs and priorities through business listening sessions; pushing a legislative agenda supporting PolyMet and addressing the wild rice sulfate standard and new MPCA rules; looking into broadband as a key focus area and how to develop more collaboration around this need; and preparation for the annual dinner event on February 23 at Fortune Bay.
<p>Regional Projects Highlights for the Past Three Years John Fedo, Ely EDA; Jim Plummer, IRRR</p>	<ul style="list-style-type: none"> · A PowerPoint slide show highlighted ten major projects that have had a positive impact on the Iron Range over the past several years. These are not all inclusive but do represent major efforts and investment both public and private. The slide show and its details are on the LVP website. It was emphasized that we need to recognize the positive things happening and celebrate these successes. A lot of communities are impacted by these projects and the potential for more spinoffs is also there in several instances. These projects are changing the face of the Iron Range community.

PARTNERSHIP PRIORITIES

Work Group Action Progress Reports

Individual work group representatives provided the following reports and next steps.

Action Areas	Work Group Priorities	Work Group Representative(s)	Update/Next Steps
TARGETING PRIORITY PROJECTS	1. Update on LVP FY 18 Minescape Program Awards <ul style="list-style-type: none"> o Redhead Trail Project in Chisholm o Tioga Trail Project in Cohasset o Highway 53 Bridgeview Area in Virginia 	Jim Plummer, IRRR	<ul style="list-style-type: none"> • The Tioga Trail Project has \$1.3 million secured and Minescape is granting \$25,000. • Redhead Trail Project is a \$28,900 award for development of a Mountain Biking Park • Bridgeview Area is a \$14,500 award to address the Mesabi Trail connection and rest area planning. • Currently \$131,000 remains available for FY 18 projects. Please bring us more good projects to consider.
	2. Update on FY 17 Virginia buffer landscaping project		<ul style="list-style-type: none"> • Highlighted several past Minescape projects in a brief PowerPoint presentation as follows: <ul style="list-style-type: none"> • Eveleth-UTAC Spruce Stockpile revegetation and shaping project. Received a \$98,000 grant award as part of a total \$158,285 project. • Virginia-UTAC Berm Landscaping Project addressing two berms through a design phase and then construction last spring. The grant of \$112,500 was part of a total successful project of \$353,725. Job well done. • Scram Mining Tails LVP Minescape Grant was highlighted in a recent mining engineering publication
FACILITATING REGIONAL VISIONING	1. LVP Strategic Plan and Priorities Update	Jim Plummer, IRRR	<ul style="list-style-type: none"> • Shared that the current plan was completed in 2011 and is being updated by a smaller group of member volunteers. We plan to have available for the next LVP meeting. Please share any insights and ideas as work progresses. This will be a new 2018 to 2023 plan to guide our work together.
	2. Society of Mining Engineers (SME) Int'l and Prospectors Convention and SME Field Trip to the Iron Range – Explanation and Overview	Brian Hiti, IRRR Linda Johnson, IRRR Doug Learmont, WMMPB	<ul style="list-style-type: none"> • An Iron Range tour was organized that brought thirty conferees to the area on February 24-25 for a two-day field trip. This went very well and provided good exposure to the area from Coleraine to the East Range, and the loading docks and transportation infrastructure in the area. • Booths were also sponsored by area entities with simulators and other interesting information. • On March 4-7 a group tied to the Mineral Coordinators Committee will be attending the Prospectors Developers Annual Conference in Toronto. Expect over 25,000 attendees from around the world interested in mining.
DELIVERING TOOLS AND RESOURCES	1. Large Scale Projects Mapping Update	Jim Plummer, IRRR Tim Pastika, MDNR	<ul style="list-style-type: none"> • Brief update highlighted. Any additions should be shared with Tim or Jim.

OTHER BUSINESS UPDATES and FUTURE TOPICS

Future Topics/Presentation Recommendations of LVP Coordinating Committee (Jan/Feb 2018)

The group discussed several possible discussion topics highlighted on the agenda by the Coordinating Committee. The following topics were highlighted by members as possible priorities for Spring 2018 meeting, with others continuing our list for future consideration.

- Land use policy on bike and other recreation uses and investment on mining lands
- Legislative report on session...ends on May 21st
- Recharge the Range Update

- NRRRI Key Projects Update
 - 21st Century Mining and Innovation Projects update and legislative outcomes, Rolf Weberg
 - Intellectual Property University of MN/NRRRI policy, Tim White, new Business Development and Intellectual Property Manager
- Major mining projects update as appropriate
- MnDOT projects update for upcoming construction season
- Major Iron Range accomplishments 2-3 years
- LVP Updated Strategic Plan 2018

Future Topics/Presentations (Spring 2018 and beyond)

- Legislative recreation uses of mining lands Envision Model
- St. Louis County land use planning/ tax forfeit lands/broadband development and recreation lands (Itasca County tie?)
 - Barb Hayden/Mary Anderson/New Minerals Staff
- State School Trust Fund Lands and strategy
- Immediate and Long-term Transportation Planning for Northeast MN (Transportation Planning and Projects)
- Corridors of Commerce Environmental panel or focus (Conservationists for Common Sense, or others?)
- Louisiana Pacific Siding Plant – Project Update
- State of mining
 - Large scale project updates: PolyMet; Mesabi Nugget; Twin Metals; ERP Iron Ore; Chippewa Capital; UTAC; KeeTac; Mining Resources
 - New/energizing opportunities
 - Value added iron update
- Marketing the region for mining – leverage future opportunities
- The bio-industry opportunity on the Range
- Titanium mining development – new technology
- Ilmenite minerals development update
- ManganiFerrous iron ore mining
- Convene summit on balanced land use
- Regional environmental issues – federal and state regs and policy considerations
 - Sulfate
 - Mercury emissions
 - Haze rules
 - Land exchange
 - Class One – tribal lands
 - BWCA buffers
 - Minnesota Clean Power Plan
- Recharge the Range
- Lessons learned from T.H. 53 relocation project – multiple stakeholders, how might apply to other future projects
- Iron Range Regional Planning – a regional approach to balancing immediate and long-term mining land retention needs and sustainability expectations with community growth and development needs
- Future charrettes
- Recognize role as forum (strategy on this); state, federal, county levels, and others

COORDINATING COMMITTEE MEETING

The next Coordinating Committee will be held on **Wednesday, April 18, 2018 from 9:00 A.M. to Noon at the Mining and Reclamation Classroom**, Minnesota Discovery Center in Chisholm. Work Group and Regional Group representatives will be asked to assist in developing the May 2018 membership meeting agenda.

LVP QUARTERLY MEETING

The next Laurentian Vision Partnership meeting will be held on **Wednesday, May 23, 2018** from 9:00 A.M. to 12:30 P.M. in the Mining and Reclamation Classroom at Minnesota Discovery Center in Chisholm.

Partnership Meeting LXVII

Wednesday, January 17, 2018 (9:00 AM – 12:30 PM)
Mining & Reclamation Classroom, Chisholm

Northeastern Minnesota's mining industry and the communities that have grown out of natural resource development are facing changing landscapes, issues and opportunities. Impacted by global and national factors, existing Iron Range mines and proposed resource-based projects are embracing new challenges to remain globally competitive and operate with a social license to mine. Communities facing land use issues and seeking to provide residents with a high-quality of life are advancing new business, community and recreational projects by cooperatively solving land use issues. LVP, by convening stakeholders in timely discussions, seeks to collaboratively address the needs of communities, mining operations, resource management, land retention, reclamation, environmental permitting, local revenue generation and land reuse.

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PROPOSED AGENDA

9:00	Laurentian Partnership Debriefing	Randy Lasky , Facilitator
	<ul style="list-style-type: none"> • Participant introductions and expectations • Opening comments 	<ul style="list-style-type: none"> • Review of Meeting LXV results and next steps (Sep-27) • Overview of the meeting objective and agenda
9:15	PRESENTATION: St. Louis County Comprehensive Land Use Plan Process	Mary Anderson Land Use Manager, St. Louis County
	<ul style="list-style-type: none"> • Impacts on mining and related updates 	Jenny Bourbonais Senior Planner, St. Louis County
9:45	PRESENTATION: PolyMet Mining Update	LaTisha Gietzen Director of Public and Community Affairs, PolyMet
	<ul style="list-style-type: none"> • Permit to Mine and financial assurance • Update on other permits 	
10:15	PRESENTATION: Twin Metals Leases and Federal Legislation Update	Nancy Norr Economic Development Director, Minnesota Power and Chair, Jobs for Minnesotans
10:40	Break	
10:50	PRESENTATION: ERP Iron Ore and Chippewa Capital Project Update	Robb Bigelow Managing Director, ERP Iron Ore LLC
11:20	Partnership Priorities: Regional Group Action Progress Reports	
	<ul style="list-style-type: none"> • What's happening in regional areas across the Iron Range? <ul style="list-style-type: none"> ○ Western Mesabi Mine Planning Board (WMMPB) ○ East Range Joint Powers Board (ERJPB) ○ Quad Cities ○ Central Iron Range Initiative (CIRI) ○ Regional Projects highlights for the past three years 	Doug Learmont , Coordinator Curt Anttila , Coordinator Melissa Cox , Laurentian Chamber, Executive Director John Fedo , CIRI Member John Fedo, ELY EDA; Jim Plummer, IRRR
11:40	Partnership Priorities: Work Group Action Progress Reports Targeting PRIORITY PROJECTS	
	<ul style="list-style-type: none"> • Update on LVP FY 18 Minescape Program Awards <ul style="list-style-type: none"> ○ Redhead Trail Project in Chisholm ○ Tioga Trail Project in Cohasset ○ Highway 53 Bridgeview Area in Virginia • Update on FY 17 Virginia buffer landscaping project 	Jim Plummer , IRRR

Noon	Facilitating REGIONAL VISIONING <ul style="list-style-type: none"> LVP Strategic Plan and Priorities Update Society of Mining Engineers (SME) Int'l and Prospectors Convention and SME Field Trip to the Iron Range – Explanation and Overview 	Jim Plummer, IRRR
12:20	Delivering TOOLS AND RESOURCES <ul style="list-style-type: none"> Large Scale Projects Mapping Update 	Brian Hiti, IRRR, Linda Johnson, IRRR and Doug Learmont, WMMPB
12:20	Other Business Updates and Future Topics	Tim Pastika, MN DNR and Jim Plummer, IRRR
	<ul style="list-style-type: none"> Future Topics/Presentations (Spring 2018) <ul style="list-style-type: none"> Land use policy on bike and other recreation uses and investment on mining lands Legislative report on session...ends on May 21st Recharge the Range Update NRRI Key Projects Update <ul style="list-style-type: none"> 21st Century Mining and Innovation Projects update and legislative outcomes, Rolf Weberg Intellectual Property University of MN/NRRI policy, Tim White, new Business Development and Intellectual Property Manager Major mining projects update as appropriate MnDOT projects update for upcoming construction season Major Iron Range accomplishments 2-3 years LVP Updated Strategic Plan 2018 Future Topics/Presentations (Spring 2018 and beyond) <ul style="list-style-type: none"> Legislative recreation uses of mining lands Envision Model St. Louis County land use planning/ tax forfeit lands/broadband development and recreation lands (Itasca County tie?) <ul style="list-style-type: none"> Barb Hayden/Mary Anderson/New Minerals Staff State School Trust Fund Lands and strategy Immediate and Long-term Transportation Planning for Northeast MN (Transportation Planning and Projects) Corridors of Commerce Environmental panel or focus (Conservationists for Common Sense, or others?) Louisiana Pacific Siding Plant – Project Update State of mining <ul style="list-style-type: none"> Large scale project updates: PolyMet; Mesabi Nugget; Twin Metals; ERP Iron Ore; Chippewa Capital; UTAC; KeeTac; Mining Resources New/energizing opportunities Value added iron update Marketing the region for mining – leverage future opportunities The bio-industry opportunity on the Range Titanium mining development – new technology Ilmenite minerals development update ManganiFerrous iron ore mining Convene summit on balanced land use Regional environmental issues – federal and state regs and policy considerations <ul style="list-style-type: none"> Sulfate Mercury emissions Haze rules Land exchange Class One – tribal lands BWCA buffers Minnesota Clean Power Plan Recharge the Range Lessons learned from T.H. 53 relocation project – multiple stakeholders, how might apply to other future projects Iron Range Regional Planning – a regional approach to balancing immediate and long-term mining land retention needs and sustainability expectations with community growth and development needs Future charrettes Recognize role as forum (strategy on this); state, federal, county levels, and others 	Facilitator
12:25	What's Next? <ul style="list-style-type: none"> Meeting Schedule Meeting date and agenda <ul style="list-style-type: none"> Coordinating Committee – April 18th Laurentian Vision Partnership – May 23rd Wrap up announcements and conclusions 	Facilitator Representative from each work group and each sub-regional group
12:30	Adjourn	