



U.S. DEPARTMENT OF INTERIOR WITHDRAWS AND REPLACES MARCH 2016 LEGAL OPINION RE: TWIN METALS MINNESOTA FEDERAL MINERAL LEASES IN NORTHEAST MINNESOTA

FAQ

DECEMBER 22, 2017

On December 22, 2017, the U.S. Department of Interior (DOI) issued a legal opinion reaffirming Twin Metals' right to renewal of two federal mineral leases held in Northeast Minnesota for more than 50 years. The DOI action withdraws and replaces a March 2016 DOI legal opinion that laid the foundation for the Bureau of Land Management (BLM) and the U.S. Forest Service (USFS), in December 2016, to deny the renewal of the two Twin Metals leases. The new DOI legal opinion re-establishes prior long-standing legal precedent recognizing the rights responsible federal mineral lease holders have to the renewal of valid federal leases. Following is Twin Metals' response to the DOI action and answers to common questions.

TMM Response to DOI Action: Twin Metals has issued the following public statement in response to today's action by the U.S. Department of Interior (DOI) to reaffirm Twin Metals' right to renewal of two federal mineral leases held in Northeast Minnesota for more than 50 years. The DOI action withdraws and replaces a March 2016 DOI legal opinion that served as the basis for the December 2016 action by the Bureau of Land Management (BLM) and the U.S. Forest Service (USFS) to deny the renewal of the two Twin Metals leases. Twin Metals' federal leases are important components of the underground mine project proposal the company is preparing for submittal to state and federal agencies for extensive review through an Environmental Impact Statement.

"Twin Metals is pleased with today's action by the U.S. Department of the Interior to reaffirm Twin Metals' right to renewal of federal mineral leases held in Northeast Minnesota for more than 50 years. The decision is an important first step to ensure the certainty of investments in U.S. mining projects and to reaffirm long-standing property rights and the rule of law. The DOI's new legal position also paves the way for federal agencies to reverse previous actions denying renewal of Twin Metals' federal leases. In response to the DOI's action, Twin Metals today dismissed its federal lawsuit challenging the Department's previous legal opinion and denial of lease renewal. Twin Metals looks forward to working with the agencies through the proper process of renewing the company's leases."

Answers to Common Questions about the DOI Action

Q1: *Explain the actions taken by the federal agencies.*

A1: The U.S. Department of Interior (DOI) has issued a new legal opinion reaffirming Twin Metals' right to renewal of two federal mineral leases held in Northeast Minnesota for more than 50 years. The DOI action withdraws and replaces a March 2016 DOI legal opinion that laid the foundation for the Bureau of Land Management (BLM) and the U.S. Forest Service (USFS), in December 2016, to deny the renewal of the two Twin Metals leases. The new DOI legal opinion re-establishes prior long-standing legal precedent recognizing the rights responsible federal mineral lease holders have to the renewal of valid federal leases.



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- Q2: *What is the impact of the agencies' actions on Twin Metals?*
A2: The DOI's action is beneficial to Twin Metals. In replacing the March 2016 legal opinion, the DOI's new legal position re-establishes prior long-standing legal precedent recognizing the rights responsible federal mineral lease holders have to the renewal of valid federal leases.
- Q3: *What happens now with Twin Metals' federal mineral leases?*
A3: The new DOI legal position paves the way for the BLM and the USFS to reverse their previous action denying renewal of those leases. Twin Metals looks forward to continuing to work with the BLM and the USFS to resolve the specific issues related to renewing Twin Metals' leases.
- Q4: *Does the DOI action mean the Twin Metals project is approved?*
A4: No, the DOI's new legal position is not an approval of the Twin Metals project. Twin Metals must continue to develop an environmentally-responsible mine project proposal and submit that proposal to state and federal agencies for thorough and rigorous review through the Environmental Impact Statement (EIS) process required under federal and state law. The rigorous EIS process will be followed by Twin Metals applying for numerous state and federal permits. All this must happen before construction and operation of TMM's mine project can move forward. Twin Metals must propose a mine project that, in the judgement of multiple state and federal agencies, meets all state and federal environmental standards, or the project will not be allowed to move forward.
- Q5: *When will Twin Metals submit its mine project proposal?*
A5: Twin Metals is hoping to submit a project proposal to state and federal agencies for review through the Environmental Impact Statement (EIS) process within the next two years. It is expected the EIS process will take several years, followed by additional time to work through the permitting process. Twin Metals must propose a mine project that, in the judgement of multiple state and federal agencies, meets all state and federal environmental standards, or the project will not be allowed to move forward.
- Q6: *Did the DOI take any action on the federal proposal to withdraw federal lands in northern Minnesota from future mining activity?*
A6: No. the action taken today by DOI pertains only to the issue of Twin Metals' federal mineral leases. The proposal by USFS and BLM to withdraw 235,000 acres of federal lands and minerals in northern Minnesota from future mining activity, with impacts to more than 420,000 acres, remains intact. The agencies are currently going through the process of reviewing public input on that proposal gathered during 2017. Twin Metals remains opposed to the federal withdrawal proposal.