



TWIN METALS MINNESOTA FEDERAL PREFERENCE RIGHT LEASES IN NORTHEAST MINNESOTA

FACT SHEET

FALL 2017

- In mid-2012, Twin Metals Minnesota filed an application with the U.S. Bureau of Land Management (BLM) seeking renewal of two 50-year federal mineral Preference Right Leases. Twin Metals' leases are located south of Ely and north of Babbitt, Minnesota. The leases are important components of the underground mine project proposal Twin Metals is preparing for submittal to state and federal agencies for extensive review through an Environmental Impact Statement.
- Twin Metals' leases were first issued by the federal government in 1966 and have been held in good standing for more than 50 years. The leases were renewed by BLM with the concurrence of the U.S. Forest Service (USFS) without controversy in 1989 and again in 2004.
- Twin Metals has invested \$400 million to develop its future proposal and has a legal right to renewal of the leases. Renewal of the leases is important to validate Twin Metals' legal mineral and property rights, and continue project development activities.
- In March 2016, the Department of Interior (DOI) issued a legal opinion (aka, "M Opinion") granting the BLM and the U.S. Forest Service discretion in renewing Twin Metals' leases.
- In September 2016, Twin Metals filed suit in federal court challenging the "M Opinion" as being contrary to federal law, the expressed language of the leases, and relevant federal regulations.
- In December 2016, the BLM and the USFS jointly rejected Twin Metals' lease renewal application.
- On December 22, 2017, the U.S. Department of Interior (DOI) issued a new legal opinion reaffirming Twin Metals' right to renewal of its two federal leases. The DOI action withdraws and replaces the March 2016 DOI legal opinion that laid the foundation for the Dec. 2016 action to deny renewal of the leases. The new DOI opinion re-establishes prior long-standing legal precedent recognizing the rights responsible federal mineral lease holders have to the renewal of valid federal leases.
- The DOI announcement paves the way for the BLM and the USFS to reverse their previous actions denying lease renewal.
- Also on December 22, 2017, in response to the DOI's new legal opinion, Twin Metals dismissed its federal lawsuit challenging the March 2016 "M Opinion and the December 2016 denial of lease renewal."
- Renewal of Twin Metals' leases would affirm the company's valid property rights established in the leases, but would not allow mining to proceed. Renewal of Twin Metals' leases poses no threat to the environment and simply allows for the development of a project to be proposed to state and federal agencies for further review under the Environmental Impact Statement process in federal and state law.
- 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.



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