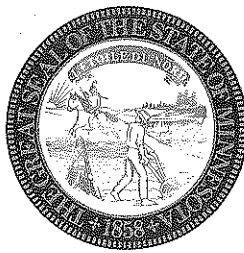


Tom Anzels
State Representative

District 5B
Cass & Itasca Counties



Minnesota House of Representatives

COMMITTEES: EDUCATION FINANCE
MINING AND OUTDOOR RECREATION POLICY
TAXES

February 3, 2016

The Honorable Mark Dayton
Governor, State of Minnesota
116 Veterans service Building
20 West 12th Street
St. Paul, MN 55155

RE: Authorization Access Agreement for Twin Metals Minnesota

Dear Governor Dayton:

As members of the Iron Range Delegation we are writing to ask that your administration give final approval to the "Authorization Access Agreement" that has been negotiated in good faith between the Minnesota Department of Natural Resources (DNR) and Twin Metals Minnesota. As you are aware, Twin Metals is in the early stages of developing a proposal for an underground copper, nickel and platinum group metals mine in Northeast Minnesota. Twin Metals has invested more than \$300 million in project development activities to date, providing hundreds of jobs within the state.

The Twin Metals project is approximately seven years behind where the Polymet project is today, and Twin Metals does not expect to formally propose a specific mine project until mid-2018 or later. However, based on data gathered to date, the Twin Metals project offers the state and the Iron Range an extraordinary opportunity for long-term economic growth and job creation, while protecting Minnesota's environment. Twin Metals currently holds more than 13,000 acres of valuable state mineral leases, with more than 900 acres located within the TMM Project study area. The development of these state minerals would generate millions of dollars in royalty and state trust land revenues.

The Access Agreement is a relatively routine step in the state's regulatory process, and immediate approval is necessary to allow Twin Metals to proceed with related environmental and technical study work this winter, and to examine the suitability of certain state lands for infrastructure and auxiliary mining purposes. The investment Twin Metals hopes to make in Northeast Minnesota in 2016 and beyond is vital to our communities already reeling from job losses and plant closures in the taconite industry.

It is our understanding that the Access Agreement took more than two years to negotiate, that the DNR supports the agreement, and the DNR presented it to your office for approval this past August. Unfortunately, the agreement is still awaiting that final approval. Delays of this duration are unwarranted,



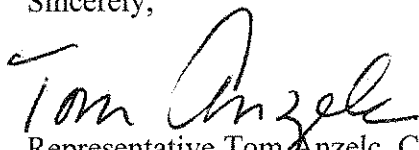
costly to companies doing business and creating jobs in Minnesota, and do not reflect the spirit of your landmark Executive Order 11-045, in which you instructed state agencies to accelerate and simplify the state's regulatory process to "move at the speed of commerce".

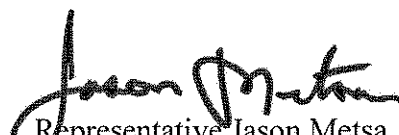
The Access Agreement does not represent state approval of a mine project in whole or in part, nor does the agreement obligate the state to provide such approvals in the future. The agreement is limited in scope – for example, the agreement itself does not authorize any drilling activity, but lays out the process by which Twin Metals can propose for further review and approval certain types of drilling for limited purposes, such as hydrogeologic study, geotechnical study, and state mineral assessment. In addition, the data gathered by Twin Metals will benefit the state by assisting in the evaluation and assessment of public lands, as well as defining existing environmental conditions. The agreement is only one of many agreements, permits and regulatory approvals Twin Metals will be required to pursue over the course of the next several years.

In conclusion, immediate approval of the Access Agreement is necessary to keep project development activities on schedule, to sustain ongoing investment in the region, and to allow Twin Metals to conduct certain field activities during the most appropriate and least impactful seasonal windows. Twin Metals is a valued and responsible business in our region, and the company deserves a regulatory process that is fair, efficient and timely.

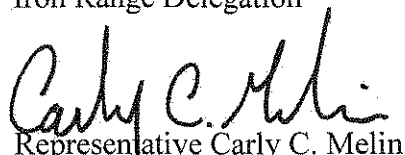
Again, we urge your immediate action to approve the Twin Metals Access Agreement. Thank you.

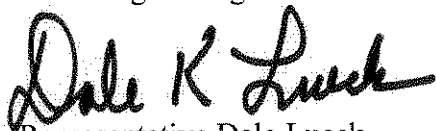
Sincerely,



Representative Tom Anzelc, Chair
Iron Range Delegation

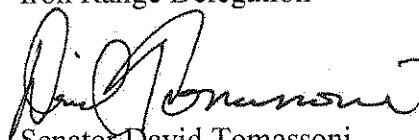

Representative Jason Metsa
Iron Range Delegation

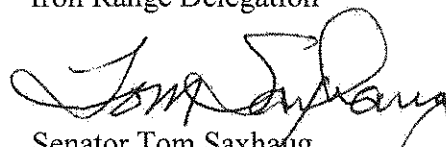

Representative Rob Ecklund
Iron Range Delegation


Representative Carly C. Melin
Iron Range Delegation


Representative Dale Lueck
Iron Range Delegation


Senator Tom Bakk
Iron Range Delegation


Senator David Tomassoni
Iron Range Delegation


Senator Tom Saxhaug
Iron Range Delegation