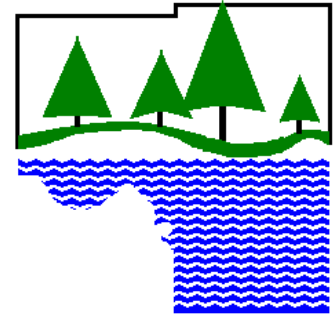


# ITASCA COUNTY

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May 17, 2023

RE: Itasca County Testimony, Executive Council – May 25, 2023, meeting date:  
Agenda Item #6 – Request to Approve Issuance of State Taconite Iron Ore Mining  
Leases in Itasca County to Cleveland-Cliffs Minnesota Land Development LLC

Executive Council Members,

Itasca County supports the completion and operation of the 7 million ton per annum taconite and palletization project in Nashwauk, Itasca County, Minnesota. The benefit this project would bring to Itasca County, the entire Iron Range, and all of Minnesota cannot be overstated. Specific economic benefits are listed on Itasca County Resolution #2023-26, attached. To date, over 1.5 billion dollars has been invested under the direction of Mesabi Metallics. The Mesabi Metallics project is currently permitted with an additional value added DRI investment but completion and operation are not viable without securing necessary mineral leases.

Itasca County also wants to ensure the future of mining throughout the Iron Range, to include additional mine life at Hibbing Taconite. We believe Cleveland Cliffs is a proven partner to the Iron Range and Minnesota and welcome their activities within Itasca County to ensure Hibbing Taconite's long-term viability.

Recently, President and COO of Mesabi Metallics, Mr. Larry Sutherland, addressed the Itasca County Board of Commissioners and presented the progress and vision to complete the project which will aid the green steel revolution in the United States. We also received feedback from various local contractors like TNT Hammerlund Inc., and Northern Industrial Erectors (NIE) who affirm that the project construction is ongoing. Some of our board members have visited the construction site and have verified the significant progress in construction activity. As many as fifty (50) trade union workers are already on site and heavy cranes have arrived and are operating. As the activity ramps up, there will be more trade union workers employed. About \$500 million worth of equipment is lying at the site and we have seen an increase in activity that convinces us that Mesabi Metallics is on track to complete the project by March 2026.

Accordingly, we believe the State of Minnesota has the opportunity to make both mining projects possible. By directing the DNR to amend their current mineral lease proposal and distribute the mineral leases to both Mesabi Metallics and Cleveland Cliffs, the Executive Council ensures that both operations have enough taconite reserves for sustainable mining operations. We fully support the State mineral leases to be studied and distributed in an equitable and transparent manner to both companies.

**Equal Opportunity Employer**

With full acknowledgment of past concerns regarding timing and completion of the Nashwauk project, we propose that leases awarded to Mesabi Metallica be kept in reserve until such time the pellet plant construction has progressed to be able to commence operations in nine months – at such time the leases could be executed.

We believe that providing taconite resources to both Cleveland Cliffs and Mesabi Metallica provides the best opportunity for long term investment, employment opportunities, and revenue streams to school trust recipients, the State, and local units of government. We implore the Executive Council to consider the solution proposal from Itasca County and direct the DNR to amend their lease proposal. We believe that without the necessary mineral leases Mesabi Metallica will not be able to move forward, resulting in the loss of jobs and revenue to Itasca County and our region. Itasca County simply cannot weather another economic opportunity lost. Not only does this project have the potential to provide an immediate and multi-generational employment opportunity for Itasca County and the State of Minnesota, it provides a transformational path to the production of green steel in the United States.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Burl Ives". The signature is fluid and cursive, with a large initial "B" and "I".

Burl Ives, Chair  
Itasca County Board of Commissioners

Attachment