

From: [REDACTED] on behalf of Lyon, John G
To: Kornze, Neil G
Subject: Minnesota minerals
Date: Wednesday, June 13, 2012 3:41:00 PM

Dear Neil:

I have Mark Storzer here, and we went over your Twin Metals/Minnesota question about royalties.

The minerals in the Ely, Minnesota area are leasable under the Minerals Leasing Act of 1920 and the Mineral Leasing Act for Acquired Lands of 1947. Because there are public domain lands in Minnesota they are excepted from the Mining Law of 1872. These lands are acquired lands and therefore leasable with a royalty. The royalty is negotiable, it is variable, but the tradition is 5%.

Best wishes, John