

**SETTLEMENT AGREEMENT**

**NORTHERN METALS, LLC**

**AND**

**THE COMMISSIONER OF THE MINNESOTA  
POLLUTION CONTROL AGENCY,  
JOHN LINC STINE,**

Northern Metals, LLC (“Northern Metals”) and the Commissioner of the Minnesota Pollution Control Agency, John Linc Stine (“MPCA”) are the parties (collectively “Parties”) to this Settlement and they stipulate as follows:

**A. RECITALS**

WHEREAS, Northern Metals commenced litigation against Commissioner John Linc Stine and the Minnesota Pollution Control Agency in Ramsey County District Court, Court File No. 62-CV-12-1590 (“Action”) concerning the timing of the MPCA’s environmental impact statement (EIS) needs and permitting decisions with regard to Northern Metals’ application for an amendment to its Air Emissions Permit No. 05300480; and

WHEREAS, Northern Metals and the MPCA have worked to resolve the issues presented in the pending district court action; and

WHEREAS, Northern Metals and the MPCA staff have also worked to address the technical issues arising out of Northern Metals’ proposed amendment to its Air Emissions Permit No. 05300480, including completion of detailed modeling for particulate matter emissions; and

WHEREAS, the Parties wish to settle and finally resolve all of the issues between them;  
and

WHEREAS, based on their work, the Parties believe that the terms expressed in this Stipulation appropriately resolve the remaining issues between them.

NOW, THEREFORE, the Parties agree as follows:

**B. TERMS**

1. The MPCA shall cause the MPCA Citizens Board's ("Board") October 1, 2012, special meeting agenda to include the Board's decision on the need for an EIS for Northern Metals' proposed amendment to its Air Emissions Permit No. 05300480.
2. The MPCA shall recommend to the Board at its October 1, 2012, special meeting that the Board issue a negative declaration on the need for an EIS for Northern Metals' amended permit as such permit is described below in paragraph 3.
3. Provided the Board issues a negative declaration on the need for an EIS, MPCA staff shall recommend to the Board at its October 23, 2012, regular meeting that the Board approve and issue Northern Metals' amended air emissions permit consistent with MPCA's Draft Air Emissions Permit No. 05300480-003 in the form attached hereto as Exhibit A.
4. The MPCA agrees to use all reasonable efforts to support the Board making its final decision on the need for an EIS on Northern Metals' project no later than October 1, 2012 and if it issues a negative declaration on the need for an EIS, making its final decision on permit issuance no later than October 23, 2012.
5. Northern Metals hereby waives all claims and causes of action made in and arising out of the facts alleged in *Northern Metals, LLC v. John Linc Stine, et al.*, Ramsey County Court File No. 62-CV-12-1590, including without limitation its claim for mandamus damages.
6. Immediately upon the effective date of this Stipulation, the parties shall file a Stipulation of Dismissal With Prejudice of all claims in *Northern Metals, LLC v. John Linc Stine, et al.*, Ramsey County Court File No. 62-CV-12-1590, with neither party to be awarded fees, costs or disbursements.

DATED: September 14, 2012

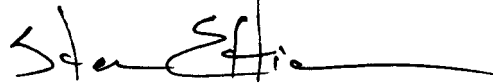
MINNESOTA POLLUTION CONTROL  
AGENCY



By: John Linc Stine, Commissioner

DATED: September 14, 2012

NORTHERN METALS, LLC



By: Steve Ettinger

Title: President