

## Pawlenty 'excited' about mine proposal

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By Scott Carlson

### **Environmentalists warn of possible harm to BWCA**

*UPDATED.*

Gov. Tim Pawlenty is hoping that a partnership between a Chilean mining company and a Canadian-based counterpart will lead to the construction of a massive copper-nickel mine in northeastern Minnesota.

But state environmentalists are withholding judgment on the proposed so-called non-ferrous mining project, some fearing the venture could harm the area's pristine Boundary Waters Canoe Area.

"I think this is a project that has a lot of promise. We are excited about it," Pawlenty said Tuesday morning, referring to the alliance between Antofagasta PLC, a London-based company whose origins are in Chile, and Toronto-based Duluth Metals.

Pawlenty made his comments at press conference after meeting at the Governor's mansion with top officials from Duluth Metals, Antofagasta and a Chilean delegation led by Arturo Fermandois, Chile's ambassador to the U.S.

Late last month, Duluth Metals and Antofagasta closed on a partnership agreement to create a joint venture called Twin Metals Minnesota LLC, whose field operations will be based in Ely.

Antofagasta has pledged \$130 million to pay for studies over a three-year period to investigate the feasibility of building an underground mine on a 3,000-acre site near Ely.

If the two companies determine the so-called Nokomis Project is feasible, they would then begin the lengthy process to conduct an environmental impact statement and apply for mining permits.

Duluth Metals Chairman Christopher Dundas said the Twin Metals venture could result in one of the world's largest copper-nickel mines, yielding millions of tons of precious metals and supporting thousands of jobs for Minnesotans for "decades to come."

At Pawlenty's press conference, Antofagasta Chairman Jean-Paul Luksic said the Twin Metals' Nokomis Project is a long-term investment that could employ hundreds of engineers, at least 5,000 construction workers and 2,000 to 2,500 permanent operations employees.

Dundas said the capital expense to design, build and operate the non-ferrous mine could top \$1.5 billion to \$2 billion if the two companies determine the project is feasible and meets environmental regulations and eventually obtains governmental permits.

That's an issue that worries some environmentalists, who point out the proposed mining operations would be just three miles from the BWCA and could adversely affect its watershed district.

"There is a concern about this kind of mining this close to the nation's most popular wilderness area," said Betsy Daub, policy director at Friends of the Boundary Waters Wilderness.

Daub is concerned that the type of mining Twin Metals is proposing with the Nokomis Project has a history of causing water pollution in other projects. "This should be a great deal of concern to Minnesotans and people across the country," she said.

Daub added the economic benefit of any mining needs to be weighed against the current economic benefits of the 1 million-acre BWCA, which generates an estimated \$30 million annually from recreation and tourism.

"We need to be very careful about the decisions that we make that could change or alter that forever," Daub said, referring to any decisions to allow new mining in northeast Minnesota.

On that point, Pawlenty said, "This is a very large and significant project. So, we need to make sure we move the [Nokomis] project along. But it needs to be done in accordance with our environmental laws and regulations and expectations."

Dundas contended that an underground mine would mean there'd be little or no surface impact on the area.

Meanwhile, Fermandois expects Antofagasta PLC will work well with Minnesota state agencies if the two companies determine the Nokomis Project is financially doable. He noted Antofagasta has a track record of meeting environmental standards in Chile.

And he added that Antofagasta will be bringing its mining knowledge and management experience to the Twin Metals partnership.

Gov. Tim Pawlenty today lauded a Chilean mining company and its Canadian-based counterpart for forging a partnership that may eventually lead to building a massive copper-nickel mine in northeastern Minnesota.

“I think this is a project that has a lot of promise,” said Pawlenty of the alliance between Antofagasta PLC, a London-based company whose origins are in Chile, and Toronto-based Duluth Metals.

Pawlenty’s comments came in a press conference after he hosted a breakfast meeting at the Governor’s mansion for top officials from Duluth Metals, Antofagasta and a Chilean delegation led by Arturo Fermandois, his country’s ambassador to the U.S.

Late last month, Duluth Metals and Antofagasta closed on a partnership agreement to create a joint venture called Twin Metals, whose field operations will be based in Ely. Antofagasta has pledged \$130 million to pay for studies over a three-year period to investigate the feasibility of building an underground mine on a 3,000 acre site in Ely.

In an interview with *Finance & Commerce*, Duluth Metals Chairman Christopher Dundas said the Twin Metals venture could result in one of the world’s largest copper-nickel mines and produce thousands of jobs for Minnesotans for “decades to come.” He said the capital expense to design, build and operate the mine could top \$1.5 billion to \$2 billion if the two companies determine the project is financially feasible and eventually meets environmental regulations and obtains governmental permits.

On that point, Pawlenty said, “This is a very large and significant project. So, we need to make sure we move the project along. But it needs to be done in accordance with our environmental laws and regulations and expectations.”

Although offering no timeline, Pawlenty said it could “take a while” for the project to go through the government review process

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