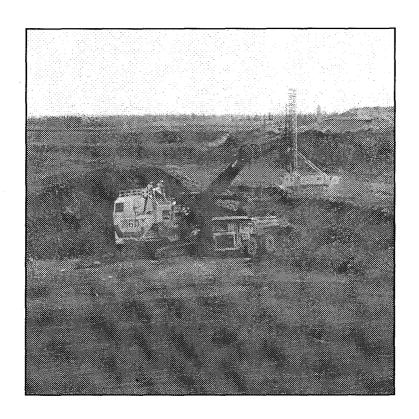
07 - 0292

The Annual Report of the Inspector of Mines



2006

INSPECTOR OF MINES Barry D. Lesar

OFFICE AT St. Louis County Garage Highway 135 East Virginia, Minn. 55792

PHONE: 218-742-9840

The

ANNUAL REPORT

of the

INSPECTOR OF MINES

St. Louis County, Minnesota * * * * * * * * * * * * *

2006 * * * * * * * * * * * * *

INSPECTOR OF MINES

Barry D. Lesar 329 Viking Drive Hoyt Lakes, Minnesota 55750

HOME PHONE: 218-225-3203 OFFICE PHONE: 218-742-9840

MOBILE UNIT: CD-28 E-MAIL: lesarb@co.st-louis.mn.us

Fax: 218-741-7832

ASSISTANT MINE INSPECTOR

Stanley J. Rojeski, Jr. 4554 Vermilion Trail Gilbert, Minnesota 55741 HOME PHONE: 218-865-6945 OFFICE PHONE: 218-742-9842

MOBILE UNIT: CD-27

ASSISTANT MINE INSPECTOR

Paul T. Wier 2311 Station 44 Road Eveleth, Minnesota 55734 HOME PHONE: 218-744-2806 OFFICE PHONE: 218-742-9843

MOBILE UNIT: CD-20

ASSISTANT MINE INSPECTOR

Terrance M. O'Neil 616 S. Main Street, Box 294 Biwabik, Minnesota 55708 HOME PHONE: 218-865-6978 OFFICE PHONE: 218-742-9841

MOBILE UNIT: CD-14

OFFICE AT ST. LOUIS COUNTY GARAGE **7823 HIGHWAY 135 EAST**

Virginia, Minnesota 55792 PHONE: 218-742-9840 * * * * * * * * * * * * *

THE ST. LOUIS COUNTY BOARD OF COMMISSIONERS

	THE GIT EGGIO GOOTTE DOTATE OF GOTTE TO
District 1	Dennis Fink, Duluth, Minnesota
District 2	Steven O'Neil, Duluth, Minnesota
District 3	William J. Kron, Duluth, Minnesota
District 4	Mike Forsman, Ely, Minnesota
District 5	Peg Sweeney, Gnesen Township, Minnesota
District 6	
District 7	Steve Raukar, Kelly Lake, Minnesota

December 31, 2006

THE HONORABLE BOARD OF COMMISSIONERS ST. LOUIS COUNTY COURT HOUSE DULUTH, MN 55802-1202

Dear Chairman Kron, and Fellow Commissioners:

Bung D. Tean

The Annual Report of the Inspector of Mines for the year 2006 is herewith submitted.

While the mining industry in northern Minnesota was marred by the tragedy at United Taconite in October, the overall condition of the industry has been very good for the second year in a row. With the return of United Taconite to full production and the continued work to bring the Polymet project at the old Erie mining company plant site on line, the future of mining in St. Louis and Itasca counties holds much promise for our area and our state.

The total employment for the year was 3,714 and these people worked a total of 7,657,134 manhours.

There was no natural ore shipped and 39,617,873 tons of taconite pellets shipped from these mines. There were 75,142,401 tons of stripping and waste removed from these mines.

Inspections and visits for 2006 were as follows: Approximately 675 inspections, visits and investigations were made to the operating and non-operating mines. There was 1 fatality and 14 lost time or serious accidents reported.

Acknowledgement and appreciation is extended to both Labor and Management for their continued interest, efforts and cooperation in the field of safety and health throughout the mines and plants in St. Louis and Itasca counties.

Respectfully submitted,

Barry D. Lesar Inspector of Mines

St. Louis County

Excerpts from the Law On

INSPECTOR OF MINES

CHAPTER 180

MINNESOTA STATUTES
SECTION 180.03
SUBDIVISION 3

ABANDONED MINES

When any mine is idle or abandoned it shall be the duty of the inspector of mines to notify the person, firm, or corporation that is or has been engaged in the business of mining to erect and maintain around all the shafts, caves, and open pits of such mines a fence, barrier, appropriate signs, or combination of them, suitable to warn of the presence of shafts, caves, or open pits and reduce the possibility of accidentally falling into these shafts, caves, or open pits. If the mine has been idle or abandoned for more than ten years, or if the person, firm, or corporation that has been engaged in the business of mining no longer exists, the fee owner shall erect the fence, barrier, or signs required by this section. The notice shall be in writing and be served upon such person, firm, corporation, or fee owner by certified mail.

SUMMARY OF STATISTICS

MINES OF ST. LOUIS COUNTY, MINNESOTA

2006

Number of Mining Companies	
Number of Mines in Operation	
Number of Plants in Operation	
Number of Wash Plants	
Number of Mines Inactive	
Number of Abandoned Mine Shafts	64
Total Number of Mines and Plants	
Total Pellets Shipped	
Total Ore Shipped	
Taconite Mined	
Stripping and Waste Removal, Tons	75,142,401
Total Material Moved, Tons Estimate	
Total People Employed	3,714
Number of Fatal Accidents, Open Pit	
Number of Fatal Accidents, Plant	
Total Number of Fatal Accidents	
Fatalities per 1,000 People Employed	0.27
Number of Lost-time and Time Charged Accidents	14
Total Number of Man-hours Worked	
Number of Visits, Inspections and Investigations	

LABOR CLASSIFICATION AND HOURLY RATES

	Shift Difference:
Afternoon \$0.30	
Niaht \$0.45	

2006 WAGE RATES INCENTIVE INCLUDED

Labor Grade	Wage Rate
1	18.736
2	20.608
3	22.798
4	24.047
5	25.613

Due to Contractual changes the wage structure has changed significantly in recent years resulting in fewer job classes. This is one example of the several different pay schedules presently in effect.

YEAR	MINES	TONS	EMPLOYED	INJURED	FATALS	FAT/1000	WAGES
1905-10 1910-11	(Averag	e per year)	13,320 19,918		73 78	5.44 3.91	2.110 2.640
1911-12			15,286		51	3.31	2.575
1912-13			16,048		44	2.74	2.705
1913-14			16,000		43	2.59	2.310
1914-15			11,430		24	2.10	2.421
1915-16			14,639		34	2.32	2.923
1916-17	(Cliver (Cava Disastar)	14,779 15,307		22 60	1.51 3.92	3.391 4.347
1917-18 1918-19	(Sliver C	Cave Disaster)	14,212		33	2.32	5.645
1919-20	114	25,349,924	14,121		36	2.55	6.010
1920-21	102	27,165,386	12,043		26	2.16	6.037
1921-22	84	13,398,525	9,688		24	3.48	4.062
1923	90	33,147,517	11,896		27	2.27	5.076
1924	75 70	22,808,875	11,538 10,180		21 18	1.82 1.77	5.144 5.126
1925 1926	76 66	29,077,679 32,583,943	9,225		15	1.63	5.283
1927	70	28,052,363	9,038		22	2.43	5.305
1928	59	29,704,774	8,022		9	1.12	5.230
1929	57	35,680,720	8,008		17	2.12	5.340
1930	50	25,196,155	7,752		13	1.68	5.280
1931	32	12,270,886	4,824		4	0.83	5.260
1932	30 35	1,773,750	2,243 2,843		2 1	0.89 0.35	4.308 4.433
1933 1934	42	10,809,167 11,781,226	4,272		2	0.47	4.830
1935	40	13,703,715	4,079		6	1.47	5.060
1936	42	23,322,975	4,694		6	1.28	4.800
1937	52	36,536,326	6,356		5	0.79	6.200
1938	38	10,976,760	3,773		4	1.06	5.816
1939	43	24,156,258	4,589 5 5 4 7		3 1	0.65 0.18	6.080 6.400
1940 1941	47 63	36,493,781 45,874,218	5,547 7,097	60	5	0.70	6.820
1942	60	53,923,635	8,101	107	14	1.70	7.030
1943	62	51,753,320	9,597	156	7	0.73	7.440
1944	66	50,532,679	9,390	247	6	0.64	7.750
1945	56	47,544,509	8,495	175	12	1.41	7.720
1946	60 70	38,380,361	7,100 8,715	167 153	6 9	0.84 1.03	7.720 8.720
1947 1948	79 80	47,293,918 52,020,563	10,286	178	5	0.49	9.480
1949	94	42,406,528	9,680	187	7	0.72	9.480
1950	109	48,671,966	10,257	159	4	0.38	10.480
1951	116	60,249,538	11,884	188	8	0.66	10.480
1952	122	48,192,132	10,838	160	2	0.18	11.480
1953	122	60,776,174	12,079	215	4	0.33	12.160
1954	121	49,845,118	9,925	157 151	4 2	0.40 0.19	12.560 14.850
1955 1956	127 127	36,137,304 44,493,944	10,381 11,017	134	6	0.19	17.560
1957	124	50,093,275	12,804	144	6	0.47	17.560
1958	90	30,495,093	10,250	83	0	0.00	18.400
1959	89	16,055,353	9,256	93	4	0.43	22.480
					· · · · · · · · · · · · · · · · · · ·		

	9,200 8,676	51 57	4 1	0.43 0.11	22.430 22.430
	7,671	30	2	0.11	22.430
	7,071	26	1	0.20	22.430
	8,102		Ó	0.00	22.430
	8,305	53 56	4	0.00	22.430
'	9,445	56 50			
	8,825	52	4	0.44	23.760
	9,125	55 50	2	0.22	25.640
•	9,394	58	0	0.00	27.430
	9,631	71	5	0.52	28.520
	9,441	58	0	0.00	32.480
	9,431	63	0	0.00	34.096
	10,131	58	4	0.40	35.352
1	10,667	60	1	0.09	44.360
	10,864	71	0	0.00	45.842
	11,514	77	1	0.09	47.368
i	10,840	82	2	0.19	56.682
	13,056	138	1	0.08	64.344
	13,267	164	0	0.00	70.832
'	11,441	107	1	0.09	80.112
i	11,630	96	0	0.00	89.472
	7,626	44	0	0.00	94.192
	5,935	50	2	0.34	84.19
	6,305	55	0	0.00	87.39
	5,539	29	0	0.00	90.60
	5,250	33	0	0.00	94.19
	4,857	26	1	0.21	94.19
	4,546	41	1	0.18	94.19
}	5,664	55	2	0.35	94.19
}	6,379	40	1	0.16	94.19
	6,468	49	0	0.00	94.19
)	6,325	110	0	0.00	106.94
)	5,953	133	0	0.00	106.94
	6,051	97	1	0.17	93.936
	6,005	87	0	0.00	97.936
	6,032	96	0	0.00	101.936
	6,129	84	0	0.00	103.616
	5,962	114	1	0.17	105.936
!	5,633	99	0	0.00	105.936
,	5,610.7	77	1	0.18	109.936
)	4,212	60	0	0.00	113.936
•	4,036	60	0	0.00	113.936
'	4,177	35	0	0.00	121.936
,	3,444	24	0	0.00	145.384
	3,568	29	0	0.00	178.40
	_	, .	_		erage/Day
}	3,714	14	1	0.27	178.40
				A۷	erage Day
	Page 6				
	rage o				

EMPLOYED

11,797

INJURED

FAT/1000

0.16

WAGES

22.430

FATALS

TONS SHIPPED

39,526,879

33,169,291

23,269,349

35,255,178

39,115,088 40,891,345

44,412,473

41,216,870

43,078,879 34,628,234

33,648,268

32,687,511

35,100,156

46,076,814

51,745,763

45,394,814

41,425,833

26,556,566

50,806,547

54,530,338

42,076,497

47,300,056

22,335,570

26,843,983

30,463,941

31,948,722

30,063,909

38,421,803

41,441,888

38,420,014

37,684,439

39,338,920

43,976,323.01

47,030,820.33

46,144,620.64

46,978,014

46,862,734

43,136,042

44,806,128

39,087,907

35,282,267

42,059,597

39,617,873

40,464,088.92

34,144,559.29

26,608,768.51

37,250,242.97

MINES

YEAR

REPORT TO COUNTY INSPECTOR OF MINES

(Minnesota Statutes 180)

ORE SHIPPED FROM MINES, TONS OF STRIPPING REMOVED NUMBER OF PEOPLE EMPLOYED, MINES OF ST. LOUIS COUNTY, MINNESOTA YEAR ENDING DECEMBER 31, 2006

TONS OF NATURAL ORE SHIPPED	TONS OF TACONITE PELLETS SHIPPED	TOTAL TACONITE MINED	TONS STRIPPING WASTE *	AVG. NO. PEOPLE EMPLOYED PLANTS/PITS	MAN HOURS	MONTHS WORKED
Shut Down a	nd Deactivation a	ctivities for the old	LTV Steel Plant			
						,
onnages in Long T	Tons 4,278,000	13,217,000	16,633,000	484	1,025,641	12
Co. Production	5.073.233	19.027.394	6.353.511	Mine 148	307.928	12
	0,010,000	0	0	1		12
		_	Mine Main	tenance & Elec. 88		12
		٠			*	12
Production	8.349.725				,	-
pped From Plant			21,215,297	725	1,419,115	12
Total Vessel	8,310,368		·			
MINE INC	71 889 - chins					
	•	8 407 411	8 618 313	335	703 650	12
	• •		0,010,010		700,000	1.6-
	NATURAL ORE SHIPPED Shut Down a connages in Long ger Co. Production Co. Production Production Production pped From Plant Total Vessel MINE, INC. les in Long Tons	NATURAL ORE ORE SHIPPED Shut Down and Deactivation according to the second seco	NATURAL ORE ORE SHIPPED TACONITE TACONITE TACONITE MINED Shut Down and Deactivation activities for the old connages in Long Tons 4,278,000 ger 13,217,000 Co. Production Co. Production Production Plant Total Vessel 8,310,368 19,027,394 AMINE, INC. 71,889 - chips	NATURAL ORE ORE SHIPPED TACONITE TACONITE TACONITE TACONITE TACONITE STRIPPING MINED TONS STRIPPING WASTE* Shut Down and Deactivation activities for the old LTV Steel Plant Downages in Long Tons 4,278,000 ger 13,217,000 16,633,000 13,217,000 16,633,000 00 00 00 00 00 00 00 00 00 00 00 00	NATURAL ORE SHIPPED	NATURAL ORE SHIPPED

age /

REPORT TO COUNTY INSPECTOR OF MINES (Minnesota Statutes 180)

ORE SHIPPED FROM MINES, TONS OF STRIPPING REMOVED NUMBER OF PEOPLE EMPLOYED, MINES OF ST. LOUIS COUNTY, MINNESOTA YEAR ENDING DECEMBER 31, 2006

			·				,	·
MINES AND SUPERINTENDENTS	TONS OF NATURAL ORE SHIPPED	TONS OF TACONITE PELLETS SHIPPED	TAC	OTAL ONITE NED	TONS STRIPPING WASTE *	AVG. NO. PEOPLE EMPLOYED PLANTS/PITS	MAN HOURS	MONTHS WORKED
NORTH SHORE MINING COMPANY All Babbitt, Silver Bay M. Mlinar, General Manager USX CORPORATION	Tonnages in Long T	ons 4,337,968	1	4,673,313	9,936,060	507	1,036,087	12
S. Coleman, Gen. Mgr. Minntac Plant, Mt. Iron All To T. 58, R. 17	nnages in Gross Tor	 ns 14,761,874 	4	19,243,592	12,386,220			
Minntac Mine					Mine, Crus	shing - 527 I	1,100,228	12
Minntac Plant			Concer	ntrating, Agg	glomerator Operat ı	i tions - 313	653,395	12
Shop, Warehouse, & Miscella	neous	Mai	intenanc	e, Tech. Se	ı ervices, Administra	ation - 427	891,329	12
TOTALS	:	39,617,873	13	34,680,847	75,142,401	3,714	7,657,134	12
TOTAL RAW ORE								
TOTAL RAW ORE AND PELLETS		39,617,873	TONS		TURAL ORE 1	34,680,847 TO	NS	

Page 8

	REPORT TO COUNTY INSPECTOR OF MINES (Minnesota Statutes 180) ORE SHIPPED FROM MINES, TONS OF STRIPPING REMOVED NUMBER OF PEOPLE EMPLOYED, MINES OF ST. LOUIS COUNTY, MINNESOTA YEAR ENDING DECEMBER 31, 2006							
	NON-FERROUS MINES AND SUPERINTENDENTS	TONS OF PRODUCT SHIPPED	TOTAL ORE MINED	TONS STRIPPING WASTE *	AVG. NO. PEOPLE EMPLOYED PLANTS/PITS	MAN HOURS	MONTH: WORKEI	
Page 9	Polymet Mining Corp. Don Hunter NON-FERROUS PROPERTY, IN DEVELOPMENT, NOT IN PRODUCTION AT THIS TIME Project Manager							
	TOTAL MATERIAL MOVEMENT FERROUS AND NON-FERROUS							
	* - Total Tonnage of both waste rock and overburden removed to expose the ore body ** - Tonnage Used to Determine Total Production Shipped for the year							

MINING COMPANIES, MINE OPERATIONS, SAFETY PERSONNEL AND OTHER AGENCIES

CLIFFS ERIE L.L.C

P.O. Box 900

Hoyt Lakes, Minnesota 55750

Phone: 218-225-4250 Fax: 218-225-4230

Bruce Gerlach Area Manager, Facilities

* * * * * *

KEEWATIN TACONITE

One Mine Road P.O. Box 217 Keewatin, Minnesota 55753 Phone: 218-778-6521

Scott Coleman	General Manager
Jeremy Smolich Area Manager - Pl	
John Skube	
Scott Karpinen	
Don Thompson	Area Manager - Mine
William Getty Area Manager,	Electrical & Mine Maintenance

* * * * * *

UNITED TACONITE LLC

P.O. Box 180 Eveleth, MN 55734 Phone: 218-744-7800

T.D. Roth	General Manager
	Area Manager - Plants
M. Smith	Area Manager - Mine
T. Davis	Area Manager, Technical Services
	CFO
	Area Manager, Human Resources

HIBBING TACONITE COMPANY

P.O. Box 589 Hibbing, Minnesota 55746 Phone: 218-262-6800

	General Manager er - Technical Services & Environmental
-	
	Sr. Area Manager - Financial Control
J.T. Croswell	Area Manager - Mining
P.A. Carlson	Area Manager - Concentrator
S.H. Romani	Area Manager - Pellet Plant
D.E. McLaughlin	Area Manager - Maintenance Service
D.G. Pollock	Area Manager - Materials
J.C. Tamminen	Area Manager - Mine Maintenance
K.K. Eggert	Area Manager - Information Technology
E.G. Bryant	. Sr. Area Manager - Human Resources

* * * * * *

MITTAL STEEL USA MINORCA MINE, INC.

5950 Old Hwy. 53 P.O. Box 1 Virginia, Minnesota 55792 Phone: 218-749-5910 Fax: 218-749-5256

DIRECTORS

Jonathan H. Holmes, Madhu G. Ranade, Carlos Hernandez, Vaidya Sethuraman, Fernando Ruiz Sahagun, Leonard H. Chuderewicz

ISPAT INLAND MINING OFFICERS

Madhu G. Ranade	President & COB
Jonathan H. Holmes	Vice President
Thomas A. McCue	Treasurer
Marc R. Jeske	Secretary
Matthew Scherschel	Assistant Secretary

SECTION MANAGERS

J.H. Holmes	Operations Manager - Minorca Mine
R.E. Aaseng	Manager - Plant
W.M. Bond Division Manage	er - Business & Operating Technology
G.L. Golobich Manager	- Human Resources/Labor Relations
E.A. Soderberg	Plant Controller
S.W. Harrison	Manager - Pit
G.R. Josephson	Manager, Safety & Environmental
T.R. Cossalter	Manager - Purchasing

* * * * * *

NORTHSHORE MINING COMPANY

10 Outer Drive

Silver Bay, Minnesota 55614 Phone: 218-226-4125

M. Mlinar	General Manager
M. Buckley	Area Manager, Technical Services
B. Bundschuh	Area Manager, Silver Bay Power & Energy
C. Viola	Area Manager, Finance Control
J. Korpi	Area Manager, Silver Bay Operations
J. Sandstrom	Area Manager, Railroad
K. Kerschen	Area Manager, Human Resources
J. Lipovetz	Area Manager, Mine
K. Alvey	Corporate Manager, Safety and Health
H. Garland	Area Manager, Materials
D. Scamehorn	Area Manager, Maintenance

NORTHSHORE MINING AREA SAFETY COORDINATORS

Phone: 218-827-2101

D. DeBeltz	•
L. Rasmussen	
S. Eckman	
S. Thompson	Maintenance
T. Edman	Railroad
D. Solberg	Warehouse
C. Lekatz	
T. Bee	Railroad
T. Lilienthal	Mine Operations
M. Vandervest	Mine Operations
B. Sader	Mine Operations
M. Brenny	
J. Tuomala	Mine Operations
E. Mayranen	Mine Operations
M. Muhvich	
J. Struna	-

USS, A DIVISION OF USX CORPORATION

Minnesota Ore Operations

General Office - Mt. Iron, Minnesota 55768 Phone: 218-749-7200

Scott Coleman	General Manager
John Skube	. Manager - Employee Relations

ORE OPERATIONS

Ray Luoma	Division Manager - Maintenance Services
Bruce Kniivila	Division Manager - Mining, Crushing
Brian Rauzi	Senior Staff Supervisor - Safety & Security
Greg Yanief Div	ision Manager, Concentrator & Agglomerator
Bob Youngman	Staff Supervisor - Safety
Kent Swanson	Staff Supervisor - Safety
	* * * * * *

POLYMET MINING

P.O. Box 475 County Road 666 Hoyt Lakes, MN 55750

OFFICERS

lan Forrest	Chairman of the Board
William Murray	President and Chief Executive Officer
Douglas Newby	Chief Financial Officer (corporate)
*James Swearingen	Chief Financial Officer (U.S. subsidiary)
*Warren Hudelson	Executive Vice President - Development
	(Director of U.S. subsidiary)
Gaston Reymanants	Vice President - Marketing

STAFF

*Don Hunter	Project Manager
*James Scott	Manager - Environmental
*Richard Patelke	Project Geologist
*Joe Scipioni	. Manager - Operations and Development

^{* =} Offices at the PolyMet Office at the PolyMet Hoyt Lakes Plant Site

* * * * * *

ALWORTH LAND & IMPROVEMENT COMPANY

1605 Alworth Building 306 W. Superior Street Duluth, Minnesota 55802 Phone: 218-722-0816

R.K. Prescott	Chairman
Nicholas B. Alworth	Vice Chairman
Steven G. LaFlamme	President
Roger D. Wedin	Executive Vice President
George W. Kratzner, II	Treasurer
Thea M. Littler	Secretary

* * * * *

THE AMERICAN IRON ORE ASSOCIATION

11 E. Superior Street Suite 514 Duluth, MN 55802 Phone: (218) 722-7724 FAX: (218) 720-6707

CONGDON MINERAL MANAGEMENT INC.

1910 East 8th Avenue P.O. Box 650 Hibbing, Minnesota 55746 Phone: 218-262-6127

John P. Congdon	President
David C. Adams	Vice President
David C. Dudley	. Vice President, Secretary, Treasurer
David G. Meineke	Vice President
Susan K. Milani	Assistant Treasurer
Bethany J. Hooper	Assistant Secretary
*	* * * * *

EVELETH FEE OFFICE, INC.

301 McKinley Avenue P.O. Box 521 Eveleth, Minnesota 55734-0521

Phone: 218-744-4646 Fax: 218-744-2149

Daniel L. England	President
Thomas J. Malkovich	Vice President/Manager of Mines
Beverly A. Saranpaa	Administrative Assistant

* * * * * *

GREAT NORTHERN IRON ORE PROPERTIES

801 East Howard Street P.O. Box 429 Hibbing, Minnesota 55746-0429

Phone: 218-262-3886 Fax: 218-262-4295

J.S. Micallef	President and CEO
	Trustee
R.W. Staehle	Trustee
R.A. Stein	Trustee
T.A. Janochoski	Vice President and CFO
R.P. Johnson	Manager of Mines
K.A. Baehr	Manager of Accounting

* * * * * * HARTLEY OFFICE

740 East Superior Street Duluth, Minnesota 55802 Phone: 218-723-8060

Mark Myles Trust Manager

IRON MINING ASSOCIATION OF MINNESOTA

11 East Superior Street Suite 514 Duluth, Minnesota 55802 Phone: 218-722-7724 Fax: 218-720-6707 www.taconite.org

* * * * * ONONDAGA IRON COMPANY

740 East Superior Street Duluth, MN 55802 Phone: 218-723-8060

MINING MINNESOTA

P.O. BOX 16666 Duluth, Minnesota 55816 Phone: 218-393-2301

E-Mail: fongaro@miningminnesota.com

Frank Ongaro Executive Director

MERIDEN ENGINEERING LLC

1910 East 8th Avenue P.O. Box 650 Hibbing, Minnesota 55746 Phone: 218-262-6127

D.G. Meineke Preside	nt & CEO
S.K. Milani	Treasurer
G.D. Lindahl Chief Mining	Engineer

* * * * * *

MESABI MINERAL ASSOCIATION

By Oneida Realty Company 1605 Alworth Building 306 W. Superior Street Duluth, Minnesota 55802 Phone: 218-722-0816

MINNESOTA DEPARTMENT OF NATURAL RESOURCES

500 Lafayette Road St. Paul, Minnesota 55155 (651) 259-5959 FAX (651) 296-5939

G. Merriam	Commissioner
M. Holsten	Deputy Commissioner
	. Director, Division of Lands and Minerals (LAM)

Division of Lands and Minerals 1525 E. Third Avenue Hibbing, Minnesota 55746 (218) 262-6767 FAX (218) 262-7328

* * * * * *

STATE OF MINNESOTA IRON RANGE RESOURCES MINELAND RECLAMATION DIVISION 201 SW Highway 169 Suite 2

801 SW Highway 169, Suite 2 Chisholm, Minnesota 55719

Phone: (218) 254-7967 Fax: (218) 254-7973

D. Jordan	Mining and Minerals Program Supervisor
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S. Layman	Commissioner Iron Range Resources
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RGGS Lands & Minerals LTD., L.P. 202 2nd Avenue South Virginia, MN 57792 Phone: (218) 749-1291

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MINNESOTA MINE INSPECTORS
St. Louis County

Barry D. Lesar	Inspector of Mines
Stanley J. Rojeski, Jr	
Paul T. Wier	
Terrance M. O'Neil	

OFFICE AT ST. LOUIS COUNTY GARAGE

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* * * * * *

UNITED STATES DEPARTMENT OF LABOR MINE SAFETY AND HEALTH ADMINISTRATION

515 W. 1st Street #333 Duluth, Minnesota 55802-1302 COMM: 218-720-5448 FAX: 218-720-5650

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	District Manager Assistant District Manager
	Supv. Spec. Investigator
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	(Health Specialist)
William H. Pomroy Mine	Safety & Health Specialist (Staff Assistant)
	Mine Safety & Health Specialist
Wayne L. Lundquist	Mine Safety & Health Specialist (CLR)
Stephen W. Field	Mine Safety & Health Specialist
Mary M. Mikulich	Supv. Management & Program Analyst
Devon R. Willeck	IT Specialist
	Secretary (OA)
Jenna L. Nelson	Management Assistant
Debra J. Johnson	Mine Safety and Health Technician (OA)
Calia G.H. Kolkin	Mine Inspection Records Clerk (OA)
Abdon J. Friend	Mine Inspection Records Clerk (OA)

DULUTH DUTY FIELD STATION

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Darin F. Bainter	. Mine Safety & Health Inspector
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William G. Dethloff III	Mine Safety & Health Inspector
Alan J. Brandt Mine	e Safety & Health Inspector (Electrical)
Richard V. Boeckermann	Mine Safety & Health Inspector
Christopher A. Hensler	Mine Safety & Health Inspector
Thaddeus J. Sichmeller	Mine Safety & Health Inspector
John C. Koivisto	Mine Safety & Health Inspector

MINNESOTA DEPARTMENT OF REVENUE

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George Hoyum	Director, Special Taxes Division

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Norma J. Krogerus	Revenue Tax Specialist
Robert Wagstrom	Mining Engineer
Carolyn Koskela	Secretary

* * * * * *

UNITED STEEL WORKERS OF AMERICA DISTRICT 11

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Dave Foster......Director

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John Rebrovich	Staff Representative
Cathy Warner	Staff Representative
Peggy May	Staff Representative

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LOCAL #6860 UNITED TACONITE LLC

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Joe Strlekar	Vice President
Gloria Huseby	Recording Secretary
Robert Willis	Financial Secretary
Larry Roberts	Treasurer
Brian Lahti	Safety Coordinator
Larry Roberts	Plant Safety Chairman
Paul Horoshak	Mine Safety Chairman

LOCAL #2660 KEEWATIN TACONITE

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Loren Middlestead	Chairman, Safety Committee
David Mlakar	Safety Representative
Carl Jeranek	Area Chair, Pellet Plant
Kevin Noonan	Area Chair, Concentrator
Cliff Tobey	Area Chair, Shops
Dan Grzybowski	Area Chair, Pit
Harlee Sirjord	Area Chair, Pond
Tom Damjanovich	Area Chair, Electrical

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Dave Tuin	First Co-Chairman, Safety Committee
Glen Saarinen	Training Coordinator

LOCAL #6115 MITTAL STEEL USA, MINORCA MINE INC.

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	Vice President
Judy Henry	Recording Secretary
	Chairman, Safety Committee
Jim Labernik	Sub-Chair, Pit Operations/Maintenance
Skip Dickinson	Sub-Chair, Plant Operations/Maintenance

LOCAL #1938 USX - MINNTAC MINE

Phone: 218-741-0887

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Jon Malek	Vice President
Steve Manninen	Recording Secretary
Mike Neri	Financial Secretary
	Safety Committee Chairman
Mark Hagsten	Safety Committee Co-Chairman
	Safety Coordinator - Plants
Rodney Moberg	Safety Coordinator - Mines

FATAL INDUSTRIAL ACCIDENT

Name of Deceased, Age and Occupation

Andrew D. Reed, 24 Years Old, Electric Coordinator

Nature and Extent of Injuries

Trauma due to an electrical explosion in the New Side M.C.C. Room

On Wednesday, October 11, 2006 there had been a general shutdown of the concentrator for maintenance in the tails pocket. After the tails pocket maintenance was finished the operating lines in the concentrator were sequentially restarted. When the #4 mill line was restarted the #4 Ball Mill only ran for about 20 minutes before the south ball mill motor experienced an electrical failure and caused the mill to shut down. The electrical department started to troubleshoot the problem to correct it. This troubleshooting continued from approximately 5:30 P.M. on October 11, 2006 through 2 shifts to the time of the accident at approximately 12:45 P.M. Thursday, October 12, 2006, with various electricians working on it.

On day shift Bryan Sandnas (who came out early on night shift to work) was the lead electrician working on the problem with Erik Maki assisting as needed. Andrew Reed was the Electrical Coordinator on days who oversaw the work. During the morning Bryan and Erik tried several things to rectify the problems on the #4 Mill. One of the items they wanted to try was doing a test start on test power. In order to do this they needed to rack out the mill starter and engage the test power in the cabinet. They tried to rack out the starter but they had difficulty and couldn't rack out the starter for some reason, so they continued working on the relay circuits to try and determine the problem. While checking out the relays they did find a cracked base on one and found the ground relay would trip if touched, so Bryan changed the relay base and cleaned the ground relay contacts, which appeared to fix that problem. At this point (9:00 A.M.) they thought they had solved the problem so they waited until 9:30 A.M. to try starting the mill again (so the contractors on #5 mill would be clear for coffee). When they tried restarting at 9:30 everything looked good and the mill was running, but it only ran for about 5 minutes before dropping out again. At this time Bryan felt the only way to continue was to try eliminating parts of the relay circuits to determine which control section the fault was in. After trying several things they were left with having to rack out the starter to run on test power. At this time Bryan worked the switch several times and finally got the starter to rack out. Brian then opened the cabinet door and visually looked at the rack out linkage to see if anything was wrong with it, but he couldn't see anything that seemed to be causing the difficulty in racking out. Bryan and Erik then tried several things using test starts in test power and got to the point they thought they had narrowed the problem down to a point where they could try starting the mill.

Due to the nature of what they found Bryan asked Andrew Reed if they could try starting the mill on test power rather than through the normal power system for closing the contacts. Andrew thought that this would be OK and they decided to try starting the mill after lunch.

After lunch Bryan Sandnas, Erik Maki, and Andrew Reed went to the M.C.C. room and Bryan made sure the #4 mill south motor M.C.C. cabinet was shut and bolted. He then racked in the south motor M.C.C. and proceeded to do the same to the north motor M.C.C. Bryan then put the test power on to the circuit; he then turned the control power on both the north and south motors and both green lights came on. Bryan checked that both the I.S. reset and overloads were OK and when he was walking away from the starter cabinets he said that they needed to watch the relays when they tried to start the mills. Andrew Reed stood clear of the starter cabinets and in a location where he could see both the north and south motor relay cabinets above the starter cabinets. Erik Maki stood in the northeast corner of the M.C.C. room to watch one set of relays and Bryan Sandnas also stood in the northeast area to watch another set.

At this time the control room operator called to see if they were ready to try starting the #4 mill, and was told that they were ready. The control room then initiated the start procedure and tried starting the mill. When the mill tried to start, Bryan Sandnas saw the relays he was watching pick up and then drop out again. At this time he heard a noise, turned and saw a ball of fire over the top of the cabinets that were located between his position and the starter cabinets. The initial noise was followed by a louder noise that continued on for what seemed to be a long time to Bryan. The M.C.C. room immediately darkened and both Bryan and Erik exited the room via the mandoor in the northeast corner of the room. While they were doing this they called on their radios for the control room to shut everything down. They also tried to contact Andrew Reed, but they couldn't be sure their radios were working or if anyone could hear them. Due to the smoke and the fact that lighting had gone out they were forced to leave the area.

Conclusion

At some time during the start up of the mill a phase to phase and phase to ground short developed in a starter cabinet. This resulted in the several explosions that the witness described and the extreme over pressure and heat generated by the electricity caused the fatal injuries.

The cause of the phase to phase and phase to ground short in the new side M.C.C. Room has not been determined at this time.

At this time there can be no determination of why the electrical discharge lasted for the time it did or exactly what caused it. This portion of the investigation will be revisited when a final conclusion can be determined.

NON-FATAL LOST-TIME AND SERIOUS ACCIDENTS

MITTAL STEEL USA, MINORCA MINE, INC.

Utility Equipment Operator, Date of Accident - April 6, 2006. Injured was in the process of using a forklift to remove a small boat from on top of some 4" pipe which was stored on top of old large tires, which were being used as blocking to keep stored parts out of the snow. After injured used the forklift to lift the boat, he exited the forklift to retrieve the oars which were also stored in the same place. As injured approached the tires a piece of the stored pipe rolled off the tires and struck injured on his left ankle. This resulted in a fractured left ankle. Days Lost - 83

Lab Analyst, Date of Accident - August 1, 2006. Injured was lifting a sample bucket of pellets into the waste skip. While lifting the bucket (weight 30 pounds) she felt a pain in her shoulder. This resulted in a strained left shoulder. Days Lost - 8

UNITED TACONITE LLC

MINE

Mine Operations, Truck Driver, Date of Accident - September 29, 2006. Injured was having the truck he was driving loaded at the shovel; a large chunk of material impacted the truck box causing a severe jolt in the operator's cab of the truck. This jolting resulted in a muscle tear to the injured's shoulder. Days Lost - 65

PLANT

Plant Maintenance Mechanic, date of Accident - July 10, 2006. Injured and his partner were working on a horizontal pump. While attempting to roll the suction side of the pump case by hand, the pump case tipped and pinched injured's index finger. This resulted in the tip of the finger being cut off. Days Lost - 70

Plant Operations, Operations Maint. Tech., Date of Accident - August 13, 2006. Injured was removing a nozzle from a 1.5 inch hose. When injured twisted the nozzle off he felt a slight pain in his back. This action resulted in a lower back strain. Days Lost - 7

Plant Maintenance, Electrician, Date of accident - October 23, 2006. Injured was disconnecting the #4c tails pump motor. While pulling on a wrench to loosen a bolt, the wrench slipped. This resulted in a tendon rupture to the left thumb. Days Lost - 14

HIBBING TACONITE COMPANY

Shovel Operator, Date of Accident - January 28, 2006. Injured was dismounting from the shovel via the frequently used boarding ladder, as the man lift was not operational at the time. The manual boarding ladder was stuck and while stomping on the ladder to free it, the ladder released and injured jumped on as it lowered. When the ladder hit the ground, injured sprained her right ankle and fractured a bone in her right foot. Days Lost - 50

Service Truck Driver, Date of Accident - April 17, 2006. Injured had left the reporting area and was driving west on the main haul road to access the water wagon at the beginning of the shift. While driving to the water truck, injured started to pass a production truck going the same direction. While passing the production truck, injured had to drive over a windrow in the road that is present while grading the road. When injured turned to re-enter the lane in front of the production truck, the van he was driving flipped and rolled over. The production truck driver stated that he saw a cloud of dust from the van flipping and rolling to the right and he managed to turn the production truck to the left to avoid striking the van. Injured was wearing his seat belt at the time of the accident and states that he was traveling around 40 mph at the time of the accident. The windrow that injured had to drive over was approximately 6-8 inches in height. This accident resulted in a bruised left shoulder and right leg. Days Lost -14

Service Truck Driver, Date of accident - July 6, 2006. Injured was moving worn shovel teeth from the service truck to the used teeth dock when the shovel tooth slipped out of injured's hand and landed on his foot. This resulted in a fractured foot requiring surgical repair. Days Lost - 85

Shovel Operator, Date of Accident - October 7, 2006. Injured was assisting a mechanic in the installation of a shim on the shovel bucket door latch. The mechanic was having difficulty inserting the rod that holds the shims in place. The mechanic had lifted the latch bar to allow the rod to drop through the shims. Injured had put her hand on top of the rod in an attempt to get it to drop through the shims. When the mechanic lifted the latch bar, injured's right index finger was pinched between the rod and the structure of the bucket. This resulted in a pinched finger, requiring surgical repair. Days Lost - 10

LTV CLIFFS LLC, ERIE MINE

- No Accidents Reported for 2006, not Operating

KEEWATIN TACONITE

No Serious or Lost Time Accidents in 2006

NORTHSHORE MINING COMPANY

0 Lost Time or Time Charged Injuries in 2006

USX CORPORATION, MINNTAC MINE

Field Maintenance Mechanic, Date of Accident - February 9, 2006. The injured employee and his partner were assigned to reposition a pin that had walked out on the #39 Shovel dipper. This entailed pushing the stick heel pin in with a hydraulic jack and placing a bolt in place to hold it. Injured and his partner pulled the #602 service truck behind the dipper, approximately 10" away. Working off the driver's side. they placed blocking and a hydraulic ram in place to push the pin in. The injured employee's partner moved the shovel stick to release pressure and the pin slid in. The injured employee then installed the 1-1/2" X 14" bolt and proceeded to take the oxy./acetylene torch and melt the threads to lock it in place. Injured was standing on top of the side cabinet of the truck, about 26" above the bed, and as he proceeded to shut off the torch the cabinet underneath him exploded. He was blown into the back of the truck and his partner, located driver's rear side corner of the truck, was thrown about 15 feet to the rear. The #602 service truck is equipped with dual torch sets connected to one set of oxy./acetylene cylinders. The cylinders are in a cabinet on the passenger side of the truck along with a torch and another torch is stored in a cabinet on the driver's side. It is believed that the torch on the driver's side was leaking acetylene into the cabinet injured was standing on and it was ignited by the lit torch the injured was holding. The torch in the driver's side cabinet was found to have the mixing handles acetylene valve slightly open. The injured employee was transported to the Virginia Regional Medical Center. This resulted in a fractured right heel and possible hearing loss in the right ear. Days Lost - 224 Days

Maintenance Technical Mechanic, Date of Accident - July 10, 2006. Injured and partner had just finished putting parts into the elevator to bring to another floor, and stated that the elevator was crowded. Being in a slightly different position as usual for closing the doors, injured grabbed the pull cord for closing the elevator's outer doors and as the bottom and top halves of the door met, injured's hand got caught between the two doors causing a broken bone on the right hand above the little finger. Days Lost - 12 Days

Maintenance Tech Mechanic, Date of Accident - July 24, 2006. Injured was assigned to paint the upper floor in the Bullgang shop.

Before the painting could be completed, boxes and a shelving unit had to be moved. In order to move the shelving unit, it had to be disassembled. This required injured to first remove the upper, middle and bottom shelves. After the shelves were removed, injured began disassembling the eight-piece main support. Injured attempted to complete this process by dragging the first support piece backwards 3-4 inches, without twisting, to disconnect the support rods. After the support rod had been detached, injured started moving the support piece forward, with some slight body twisting. As injured moved the heavy piece forward he felt a pinch in his belly. This resulted in a hernia. Days Lost - 26

Operating Technician I, Date of Accident - July 28, 2006. After a variety of jobs and operating different equipment throughout the day, injured was to clean the ramp and area around the #7 Excavator using the #63 RTD. As injured was spreading tailings along the right side of the shovel, the shovel swung to the right (being his blind side) and came in contact with the RTD, smashing into the operator's cab, which caused a fracture of the little finger on the right hand, with additional bruises to the right leg, calf and foot. This was investigated as a potentially serious accident, though there was no injury or time lost. Days Lost - 0

