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ENVIRONMENT

Aitkin County nickel mine would ship ore to Michigan, dropping North Dakota plan

The shift eliminates Talon Metals' plans for a costly new processing facility but would require hauling ore hundreds of miles to an existing mill.

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Valuable metals are separated from tailings in a flotation tank at the Humboldt Mill in Champion, Mich. on July 8. (Aaron Lavinsky/The Minnesota Star Tribune)

Talon Metals, the company seeking to open an underground nickel mine in Aitkin County, says it plans to send ore from the site to a mill the company recently purchased

in Michigan's Upper Peninsula for processing.

The announcement, made late last week, means the company will abandon plans for a processing plant in Beulah, North Dakota that would have been built with the help of hundreds of millions in government grants.

One $114 million grant from the Department of Energy (DOE) would have covered about a third of the cost of construction, CEO Darby Stacey said, meaning Talon was on the hook to pay as much as $266 million to cover the rest of the cost.

"It's exciting," Stacey said in an interview. "The project has got smaller, more focused."

Jessica Johnson, a spokeswoman for the company, wrote in an email that Talon does not know what will come of the grant for the North Dakota site, and is "working with [DOE] on next steps."

While the shift to Michigan removes a significant capital cost, the logistical challenge of moving ore hundreds of miles to Michigan remains. The new plan does not resolve opponents' concerns about potential harm to surrounding wetlands and waters.

Talon bought the Humboldt Mill and associated Eagle Mine near Marquette, Michigan at the beginning of this year. The Eagle Mine has long been held up by supporters of domestic mining as a project that has been able to extract sulfide bearing ore with minimal environmental impact. Sulfur-rich minerals can lead to toxic mine drainage if mishandled.

The company has spent the last four to five months contemplating both options. There's an experienced team that is already in place at the processing plant in Michigan, but the transportation route to get there is more circuitous than the direct rail line to North Dakota.

Stacey said Talon plans to release a feasibility study by the end of the year that will show detailed financial analysis of the mine plan and compare possible transportation options to a processing site that is still about 250 miles away from the proposed mine, as the crow flies.

Kelly Applegate, Natural Resources Commissioner of the Mille Lace Band of Ojibwe, said the announcement "still doesn't answer some of the fundamental questions we have about the threats to water."

While he stressed that he only represents the Mille Lacs tribe, Applegate noted that the ore will travel through the ceded lands of many other tribes on its way to Marquette

County.

The Talon mine would extract nickel, copper and platinum group metals in an underground mine about 50 miles west of Duluth. State regulators are in the early stages of environmental review for the project.

Eventually, they will complete an environmental impact statement, a lengthy and detailed accounting of how the mine could affect natural areas and local communities. That process won't be complete until March 2029, at the earliest, according to the Department of Natural Resources.

Then, Talon would have to secure several other permits before operation.

Concerns about potential water pollution came to a head at the first public input meeting on the mine last month. Opponents worried about the risks of acid mine drainage to the area's wetlands, waters and wild rice beds; a smaller group of mine supporters said the project could bring needed jobs to the area and support local families.

Paula Maccabee, executive director of the advocacy group WaterLegacy, expressed frustration that Talon has not already released a feasibility study while the public had the opportunity to comment. The comment period on state officials' scoping for the mine – the period in which regulators decide which issues need closer study – ended on Sept. 14.

"This is not a project. This is a bunch of public relations knitted together," she said.

Stacey said that after the public meetings, he has concluded that Talon needs to do more to educate the public about the mine company's plans.

"Maybe the job over the next three years is [to explain], how are you gonna put an underground mine and not have the wetland completely drained into it," he said. "The people don't know because we haven't, like, shared the story and shared the plan until just now."

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