

GREAT NORTHERN IRON ORE PROPERTIES

OFFICE OF THE TRUSTEES
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KENNETH A. BAEHR
MANAGER OF ACCOUNTING

TRUSTEES:

JOSEPH S. MICALLEF
PRESIDENT
CHIEF EXECUTIVE OFFICER
ROGER W. STAEHLE
ROBERT A. STEIN
JAMES E. SWEARINGEN

February 1, 2017

To Certificate Holders of Record as of April 6, 2015 ("Certificate Holders") and the Reversioner (Glacier Park Iron Ore Properties LLC) of the Trust of Great Northern Iron Ore Properties ("Trust"):

The Certificate Holders and the Reversioner were previously informed by the Trustees of the hearing held before the District Court, Second Judicial District, Ramsey County, Minnesota ("Court") on October 14, 2016, and the Order issued by the Court on October 26, 2016, following that hearing ("Court Order"). In the Court Order, the Trustees were to file a final report with the Court on or before February 2, 2017 ("Trustees' Report") setting forth the status of the Trust's wind-up tasks that remained to be completed as of the October 14, 2016 hearing, an accounting of the Trust's post-June 30, 2016 revenues and expenses and any remaining amount of the Court's approved reserves, and the proposed timing and manner of the final distribution of any remaining reserves as allocable to the Certificate Holders and the Reversioner. As the Certificate Holders and the Reversioner were also previously informed, the Court scheduled a hearing on Tuesday, February 21, 2017, at 9:00 a.m., to address the Trustees' Report and all remaining matters regarding the Trust ("February 21, 2017 hearing").

Enclosed within this Booklet are copies of the following documents pertaining to the February 21, 2017 hearing scheduled to be held in Room 1430 of the Ramsey County Courthouse located at 15 West Kellogg Boulevard, Saint Paul, Minnesota 55102:

- Trustees' Report, inclusive of the following exhibits:
 - Summary of Status of Remaining Wind-Up Tasks as of February 1, 2017 (Exhibit A)
 - Trustees' Post-June 30, 2016 Accounting Including Estimated Remaining Reserves as Allocable to the Certificate Holders and the Reversioner as of January 31, 2017 (Exhibit B)
- The proposed Order requested by the Court.

The Booklet is also available on the Trust's Web site, which can be found at www.gniop.com in the section entitled "Court Hearings, Misc. Releases, and Other Correspondence." Any questions should be directed to the Trust's Vice President and Secretary at the Trust Office address and/or telephone number as shown above. Thank you.

Sincerely yours,

/s/ Joseph S. Micallef
President of the Trustees and
Chief Executive Officer

STATE OF MINNESOTA
COUNTY OF RAMSEY

DISTRICT COURT
SECOND JUDICIAL DISTRICT
Court File No. 62-C5-72-386008

In the Matter of the Trust known as
Great Northern Iron Ore Properties

TRUSTEES' REPORT

Pursuant to the Court's Order dated October 26, 2016 ("2016 Order") issued after the above-captioned Trust's final accounting hearing held on October 14, 2016 ("October 2016 hearing") and having informally advised the Court of the death of Trustee Roger W. Staehle on January 16, 2017, Trustees Joseph S. Micallef, Robert A. Stein and James E. Swearingen respectfully submit this final report to the Court ("Trustees' Report" or "Report") to:

1. Provide the current status of the tasks and actions that remained to be completed after the October 2016 hearing in winding up the affairs of the Trust (hereinafter the "Remaining Wind-Up Tasks");
2. Request approval, settlement and allowance of the Trustees' accounting of (i) the Trust's post-June 30, 2016 revenues and expenses and (ii) the remaining reserves as allocable to the Trust's income beneficiaries (the certificate holders of record as of April 6, 2015 ("Certificate Holders")) and reversionary beneficiary (which, pursuant to the 2016 Order, is Glacier Park Iron Ore Properties LLC ("Reversioner") and, as of December 8, 2016, is wholly owned by NRC Iron Ore Partners, LLLP);
3. Request approval of the Trustees' proposed timing and manner of the final distribution of the remaining reserves to the Certificate Holders and the Reversioner;

4. Request the full discharge of the Trustees and the final dissolution and termination of the Trust upon the final distribution of the remaining reserves to the Certificate Holders and the Reversioner; and

5. Request such other and further relief as the Court may deem appropriate.

Pursuant to the Court's Order for Hearing dated October 26, 2016, a hearing on the Trustees' Report is scheduled for February 21, 2017, at 9:00 a.m.

STATUS OF REMAINING WIND-UP TASKS

As reflected in the record of the October 2016 hearing, the Trustees reported the completion of the vast majority of the tasks and actions set forth in the Wind-Up Plan approved by the Court in its Findings of Fact, Conclusions of Law and Order for Judgment dated January 26, 2015 ("2015 Order"). As of the date of this Report, the Remaining Wind-Up Tasks have now been completed or are in the process of being completed, including the following:

- With regard to the Trust's operations:
 - In January 2017, (i) the majority of the remaining active files, furniture and equipment located in the Trust's administrative and accounting office in St. Paul were moved to the Hibbing office, (ii) all final employment tax returns were prepared for filing, and (iii) the final Tax Return Guide for the Certificate Holders and the final Tax Letter for the Reversioner were prepared and mailed.
 - In February 2017, (i) the Trust's final federal and Minnesota tax returns will be prepared for filing, (ii) subject to Court approval, informing the insurance carrier that the Co-Trustee Bond is to be terminated as of December 22, 2017 (the current renewal date), and (iii) the Trust's St. Paul office will be closed.

- With the exception of two temporary employees in the Trust's St. Paul office (the Chief Financial Officer and the bookkeeper/accountant) whose employment agreements will terminate on February 28, 2017, the employment agreements of all other temporary employees were terminated in November and December 2016. Subject to the Court's approval, the Trustees have entered into a consulting arrangement with the Trust's Chief Financial Officer for the period March 1–May 31, 2017, to assist the Trustees in completing the post-February 2017 tasks and actions as ordered or requested by the Court.
- Pursuant to the 2016 Order, the following actions have been completed with regard to the Trust's beneficiaries:
 - The Reversioner wire-transferred the final Principal Charges Account balance of \$5,527,074.14 to the Trust on October 31, 2016. *See* 2016 Order at ¶ 9.b.(i). On November 3, 2016, the Trustees delivered the Transfer Documents (as defined at ¶ 3.c.(i) in the 2016 Order) to the Reversioner in St. Paul, Minnesota, and obtained a written and notarized receipt therefor. *See* 2016 Order at ¶ 9.b.(ii).
 - After Trust counsel's confirmation of no timely appeal of the 2016 Order by any of the Certificate Holders, the Trustees wire-transferred \$10,065,000 on January 26, 2017, to the Trust's paying agent, Wells Fargo Shareowner Services, a division of Wells Fargo Bank, N.A. ("Wells Fargo"), for distribution to the Certificate Holders in the amount of \$6.71 per share. *See* 2016 Order at ¶ 9.a.

A detailed summary of the Remaining Wind-Up Tasks completed and yet to be completed as of February 1, 2017, is attached hereto as Exhibit A.

ALLOWANCE OF TRUSTEES' POST-JUNE 30, 2016 ACCOUNTING

In its 2016 Order, the Court approved, settled and allowed in all respects the Trustees' accounts for the six-month period ended June 30, 2016. *See* 2016 Order at ¶ 5. The Court also approved in all respects the Trustees' financial statements reflecting the Trust's actual revenue and expenses for the July–September 2016 period and the estimated revenues and expenses for the October 2016–February 2017 period, inclusive of a retained reserve of \$5,400,000 to pay and provide for the estimated Trust expenses (and any unknown expenses or claims) for the post-August 31, 2016 period (\$1,700,000 of which was allocable to the Certificate Holders and \$3,700,000 was allocable to the Reversioner). *See* 2016 Order at ¶ 6.

Attached hereto as Exhibit B are the Trustees' financial statements as of January 31, 2017, reflecting the Trust's (i) actual revenue and expenses for the October 2016–January 2017 period (Schedules 2–5 of Exhibit B), (ii) estimated revenue to be received and estimated expenses to be paid in the month of February 2017 (“February expenses”) (Schedule 6 of Exhibit B), (iii) estimated expenses for the March 1–May 31, 2017 period (which encompasses the appeal period under Minnesota Statutes § 501C.0204 and Minnesota Rules of Appellate Procedure 104.01 for an order issued by the Court after the February 21, 2017 hearing) (Schedule 7 of Exhibit B), and (iv) estimated remaining reserves allocable to the Certificate Holders and the Reversioner (*see* summary on first page of Exhibit B). Taking into account the foregoing February expenses and the estimated expenses to be paid in the March 1–May 31, 2017 period, the remaining reserve allocable to the Certificate Holders is estimated to be \$871,172 and the remaining reserve allocable to the Reversioner is estimated to be \$2,639,273.

An updated financial report will be provided at the February 21, 2017 hearing for the Court's review in approving, settling and allowing the Trustees' post-June 30, 2016 accounting as respectfully requested herein.

**APPROVAL OF PROPOSED TIMING AND MANNER
OF FINAL DISTRIBUTION OF REMAINING RESERVES**

Paragraph 17 of the Trust Agreement states, in relevant part:

After paying or providing for all expenses or obligations of the trust [in winding up the affairs of the trust, the trustees] shall distribute ratably among the certificate holders all moneys remaining in their hands as such trustees, and shall convey and transfer unto the [reversioner] all property, save said moneys, held by them under said trust.

And thereupon said trust shall cease.

See 2015 Order at 12-13. “Final distributions and conveyances to the Trust’s beneficiaries shall be made upon order of this Court.” 2015 Order at 58 (¶4); *see also* 2016 Order at ¶ 13.a.

Pursuant to the terms of the Trust Agreement, the 2015 Order and the 2016 Order, the Trustees hereby respectfully request that the Court (i) approve, settle and allow in all respects the Trustees’ post-June 30, 2016 accounting, including the February expenses (Schedule 6 of Exhibit B) and the estimated expenses for the March 1-May 31, 2017 period (Schedule 7 of Exhibit B), (ii) determine the remaining reserves to be distributed to the Certificate Holders and the Reversioner (“Remaining Reserves”), and (iii) approve the timing and manner of the final distribution of the Remaining Reserves as set forth below.

1. Transfer of Remaining Reserves to Wells Fargo. Following the payment of the Trust’s expenses for the March–May 2017 period and pending the expiration of the period to appeal the Court’s order issued following the February 21, 2017 hearing (“2017 Order Appeal Period”), the Trustees request the Court’s approval to transfer the Remaining Reserves to the Trust’s paying agent, Wells Fargo, for final distribution to the Certificate Holders and the Reversioner as ordered by the Court. In the event of a timely appeal of the Court’s order, the Trustees request that the order direct the Trustees to withhold any distribution of (and that Wells Fargo continue to hold) the Remaining Reserves pending the final resolution of such appeal and

until after the Trustees submit a report to the Court regarding the expenses and costs of such appeal and the Court issues a new order.

2. Final Distribution to Certificate Holders. As soon as practicable after the expiration of the 2017 Order Appeal Period and confirmation that no timely appeal has been filed, the Trustees request approval to make the final distribution to the Certificate Holders of the Remaining Reserves allocable to the Certificate Holders based on a per share basis with 1,500,000 shares outstanding.

3. Final Distribution to Reversioner. As soon as practicable after the expiration of the 2017 Order Appeal Period and confirmation that no timely appeal has been filed, the Trustees request approval to make the final distribution to the Reversioner, Glacier Park Iron Ore Properties LLC, of the Remaining Reserves allocable to the Reversioner.

**DISCHARGE OF TRUSTEES AND
FINAL DISSOLUTION AND TERMINATION OF TRUST**

In light of the foregoing, and subject only to the Trustees' final distribution of the Remaining Reserves to the Certificate Holders and the Reversioner as ordered by the Court, the Trustees respectfully request that the Court (i) fully discharge Trustees Joseph S. Micallef, Roger W. Staehle, Robert A. Stein and James E. Swearingen, (ii) approve the final dissolution and termination of the Trust, and (iii) terminate the Court's jurisdiction over the Trust as a proceeding *in rem* pursuant to Minnesota Statutes § 501C.0201.

WHEREFORE, the Trustees request an Order:

1. Confirming that, in light of the remaining short duration of the Trust, a successor trustee to Trustee Roger W. Staehle need not be appointed;
2. Approving the termination of the Co-Trustee Bond effective as of December 22, 2017;

3. Approving, ratifying and confirming all the acts of the Trustees in the administration of the Trust and in winding up affairs of the Trust through the final dissolution and termination of the Trust;
4. Approving, settling and allowing the Trustees' post-June 30, 2016 accounting;
5. Approving the payment of the Trust's expenses for the March-May 2017 period;
6. Determining the amount of the Remaining Reserves allocable to the Certificate Holders and the Reversioner and approving the Trustees' requested timing and manner of distributing the Remaining Reserves to the Certificate Holders and the Reversioner;
7. Upon the Trustees' final distribution of the Remaining Reserves to the Certificate Holders and the Reversioner as ordered by the Court, (a) fully discharging Trustees Joseph S. Micallef, Roger W. Staehle, Robert A. Stein and James E. Swearingen, (b) approving the final dissolution and termination of the Trust, and (c) terminating the Court's jurisdiction over the Trust as a proceeding *in rem* pursuant to Minnesota Statutes § 501C.0201; and
8. Granting such other and further relief as the Court may deem appropriate.

Dated: February 1, 2017



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Known as Great Northern Iron Ore Properties

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SUMMARY OF STATUS OF REMAINING WIND-UP TASKS AS OF FEBRUARY 1, 2017

The first section below provides a summary of the Remaining Wind-Up Tasks that remain to be completed as of February 1, 2017 ("REMAINING WIND-UP TASKS TO BE COMPLETED") and is organized in four categories: Trust Operations, Pension Plan, Certificate Holders, and Reversioner. The second section summarizes the Remaining Wind-Up Tasks that have been completed as of February 1, 2017, since the October 14, 2016 hearing ("COMPLETED REMAINING WIND-UP TASKS") organized under the same four categories.

REMAINING WIND-UP TASKS TO BE COMPLETED**Trust Operations:**

- Prepare for filing final Federal and Minnesota Tax Returns on or before February 28, 2017.
- Pay Trust's February expenses on or before February 28, 2017.
- Close St. Paul Office and complete final move of any remaining files and equipment by February 28, 2017.
- Subject to Court approval, terminate Co-Trustee Bond as of December 22, 2017.
- Subject to Court approval, pay Trust's post-February 2017 expenses as incurred in March, April and May 2017.
- Subject to Court approval, close bank checking account on or before May 31, 2017, after wire transfer of Trust's remaining reserves to paying agent, Wells Fargo.

Pension Plan:

- No known remaining tasks.

Certificate Holders:

- Complete final distribution of remaining reserves (cash) allocable to Certificate Holders as ordered by the Court.

Reversioner:

- Complete final distribution of remaining reserves (cash) allocable to Reversioner as ordered by the Court.

COMPLETED REMAINING WIND-UP TASKS**Trust Operations:**

- Resolved employment claim for alleged Marital and Familial Status financial discrimination filed with the Minnesota Department of Human Rights ("MDHR") by a former temporary Trust employee (Order issued by MDHR stated "No Probable Cause" as to the alleged unfair discriminatory practice).
- Remitted severance payments to temporary employees pursuant to temporary employment agreements.
- Completed shredding of all expired Certificate Holder transfer documents no longer required to be kept via hard copy.
- Continued and completed revenue/expense allocations between Certificate Holders and Reversioner, which included post-January 31, 2017 estimates through dissolution and final termination of Trust.

- Prepared final payroll and related tax filings (for example, Forms W-2, 940 and 941).
- Terminated phone system maintenance agreement and postage machine lease as of November 2016, with cancellation dates in first quarter of 2017.
- Completed annual workers compensation audit in January 2017.
- Coordinated move of majority of remaining office files, furniture and equipment to Hibbing Office in January 2017.
- Prepared and sent the final Tax Return Guide for the Certificate Holders and the final Tax Letter for the Reversioner in January 2017.

Pension Plan:

- The Trust had been advised by its pension counsel that, while remote due to the small size of the plan, there was a possibility of a random audit of the Trust's terminated defined benefit pension plan by the Pension Benefit Guaranty Corporation ("PBGC"), notification of which usually would have occurred within four months after the plan's termination (said four-month period for the Trust's plan ended in December 2016). As of February 1, 2017, the Trust has not been notified of any random PBGC audit.
- While even less likely than a PBGC audit, the Trust's pension counsel had also advised the Trust that an IRS audit of the plan after receipt of a determination letter on the termination of a plan was possible (as is a remote possibility of an IRS audit of prior plan years). As of February 1, 2017, the Trust has not been notified of any IRS audit of the plan. Per pension counsel, any such audit is even less likely to occur than a PBGC audit.

Certificate Holders:

- Wire-transferred \$10,065,000 to the Trust's paying agent, Wells Fargo, on January 26, 2017, for distribution to the Certificate Holders as ordered by the Court.
- Instructed Wells Fargo to escheat any unclaimed monies and share certificates to the State of Minnesota, as required by law.
- Established termination date for the Trust's Web site to run through the end of 2017.

Reversioner:

- Confirmed receipt of Principal Charges account balance of \$5,527,074.14 from Reversioner (wire transfer occurred on October 31, 2016, and confirmation occurred on November 1, 2016).
- Delivered all Transfer Documents for non-cash Trust properties to Reversioner as ordered by the Court on November 3, 2016.
- Re-notified lessees of change in ownership (including identifying Reversioner contacts and confirming where to send royalty payments). In addition, notified all licensees, counties and squatters of change in ownership. Notices were sent out November 4, 2016 and November 7, 2016.
- Provided Reversioner with updated timeline of all Trust tasks and agreements to administer to both the in-process matters and the on-going operations.
- Provided Reversioner digital files for Royalty accounting, which is their responsibility as of October 1, 2016 (as royalties were next due on January 20, 2017 for the fourth quarter of 2016).
- In consultation with the Reversioner, donated various items to the Minnesota Historical Society and the Ramsey County Historical Society.

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**Trustees' Post-June 30, 2016 Accounting Including Estimated Remaining Reserves
as Allocable to the Certificate Holders and the Reversioner as of January 31, 2017**

	<u>Actual/Estimated Cash Balances, Receipts & (Disbursements) Allocable to Certificate Holders</u>	<u>Actual/Estimated Cash Balances, Receipts & (Disbursements) Allocable to Reversioner</u>
Cash Assets - June 30, 2016	\$6,513,045	\$0
Adjustments for pre-June 30, 2016 Receipts/(Disbursements) between Certificate Holders and Reversioner ⁽¹⁾	(76,339)	76,339
Net Adjusted Cash Assets as of June 30, 2016	6,436,706	76,339
Actual Net Receipts/(Disbursements) - July 2016 ⁽²⁾	(111,582)	2,724,357
Actual Net Receipts/(Disbursements) - August 2016 ⁽³⁾	(85,339)	(2,685,222)
Total Net Cash Assets Available for Distribution as of August 31, 2016, before Retention of Reasonable Reserve	6,239,785	115,474
Actual Net Receipts/(Disbursements) - September 2016 ⁽⁴⁾	(139,572)	(203,861)
Actual Net Receipts/(Disbursements) - October 2016 ⁽⁵⁾	(129,826)	3,451,883
Principal Charges Account Balance - Paid by Reversioner to Trust on 10-31-2016	5,527,074	0
Total Net Cash Assets Available for Distribution as of October 31, 2016, after payment of Principal Charges Account Balance, before final expenses	11,497,461	3,363,496
Actual Net Receipts/(Disbursements) - November 2016 ⁽⁶⁾	(127,425)	(273,737)
Actual Net Receipts/(Disbursements) - December 2016 ⁽⁷⁾	(79,171)	(138,100)
Total Net Cash Assets Available for Distribution as of December 31, 2016, before final expenses	11,290,865	2,951,659
Actual Net Receipts/(Disbursements) - January 2017 ⁽⁸⁾	(93,032)	(115,163)
Wire transfer on January 26, 2017, for Distribution to Certificate Holders	(10,065,000)	0
Total Net Cash Assets Available for Distribution as of January 31, 2017, before final expenses	1,132,833	2,836,496
Estimated Net Receipts/(Disbursements) - February 2017 ⁽⁹⁾	(137,286)	(112,848)
Estimated Net Receipts/(Disbursements) - March - May 2017 ⁽¹⁰⁾	(124,375)	(84,375)
Estimated Net Cash Assets available for Final Distribution to Certificate Holders (after lapse of appeal period) and Reversioner	<u>\$871,172</u>	<u>\$2,639,273</u>
	\$0.580781 On a "Per Share" Basis	

Footnotes:

(1) - The Adjustment for pre-June 30, 2016 Receipts/(Disbursements) and the Actual Receipts/(Disbursements) for July-September 2016 were submitted to the Court at the October 14, 2016 hearing in Exhibits 13 and 14, and approved by the Court in its October 26, 2016 Order.

(2) - See Schedule 2.

(3) - See Schedule 3.

(4) - See Schedule 4.

(5) - See Schedule 5.

(6) - See Schedule 6.

(7) - See Schedule 7.

Schedule 2October 2016 (Actual)

<u>Category of Receipts and/or Disbursements</u>	<u>October 2016 (Actual)</u>	
	<u>Receipts & (Disbursements) Allocable to Certificate Holders</u>	<u>Receipts & (Disbursements) Allocable to Reversioner</u>
Royalties receipts	(a) \$0	\$3,672,807
Interest income receipts	501	0
Miscellaneous receipts (sand, gravel, etc.)	(b) 0	2,262
Trustee compensation and bonus disbursements	(39,012)	(39,012)
Staff compensation and related payroll tax disbursements	(37,093)	(80,441)
Pension expense disbursements	(5,257)	0
Shareholder relations expense disbursements	(26,650)	0
Legal expense disbursements	(c) (11,914)	(79,290)
Accounting expense disbursements	0	0
St. Paul office expense disbursements	(10,401)	(11,415)
Range office expense disbursements	0	(13,028)
Distributions to Reversioner	0	0
Total Net Receipts/(Disbursements)	(\$129,826)	\$3,451,883

Notes:

- (a) Production shift from Q3 to Q4. In addition, Magnetation failed to pay Q3-16 royalties amounting to ~\$240k due to bankruptcy & closure.
(b) Misc. timber revenues were expected from Magnetation, though, like the royalty situation, they failed to pay for the removals.
(c) Higher allocated legal expenditures charged to Reversioner than originally estimated due to work related to preparation of Transfer Documents.

Schedule 3November 2016 (Actual)

<u>Category of Receipts and/or Disbursements</u>	<u>November 2016 (Actual)</u>	
	<u>Receipts & (Disbursements) Allocable to Certificate Holders</u>	<u>Receipts & (Disbursements) Allocable to Reversioner</u>
Royalties receipts	\$0	\$0
Interest income receipts	584	0
Miscellaneous receipts (sand, gravel, etc.)	0	0
Trustee compensation and bonus disbursements	(25,720)	(25,720)
Staff compensation and related payroll tax disbursements	(a) (36,742)	(109,047)
Pension expense disbursements	(3,446)	0
Shareholder relations expense disbursements	(14,017)	0
Legal expense disbursements	(b) (43,910)	(129,809)
Accounting expense disbursements	0	0
St. Paul office expense disbursements	(4,174)	(4,172)
Range office expense disbursements	0	(4,989)
Distributions to Reversioner	(c) 0	0
Total Net Receipts/(Disbursements)	(\$127,425)	(\$273,737)

Notes:

- (a) Staff compensation allocated to Reversioner higher than originally estimated in November 2016 due to severance payments to Hibbing Office employees that were originally scheduled for December 2016.
(b) Legal expense higher than originally estimated with more allocated to Reversioner due to extensive work performed related to Transfer Documents and services performed related to *Release and Indemnity Agreement*.
(c) No distribution paid to Reversioner as originally estimated because "accrued royalties" for the third quarter of 2016 were less than \$3,700,000, pursuant to the terms of the *Amendment to Reversionary Income Distribution Agreement*.

Schedule 4

December 2016 (Actual)

<u>Category of Receipts and/or Disbursements</u>	December 2016 (Actual)	
	Receipts & (Disbursements) Allocable to Certificate Holders	Receipts & (Disbursements) Allocable to Reversioner
Royalties receipts	\$0	\$0
Interest income receipts	1,176	0
Miscellaneous receipts (sand, gravel, etc.)	0	0
Trustee compensation	(18,542)	(18,542)
Staff compensation and related payroll tax disbursements (a)	(38,867)	(38,881)
Pension expense disbursements (b)	4,942	0
Shareholder relations expense disbursements (c)	(2,245)	0
Legal expense disbursements (d)	(8,763)	(62,296)
Accounting expense disbursements	(1,350)	(1,350)
St. Paul office expense disbursements (e)	(15,522)	(5,615)
Range office expense disbursements (e)	0	(11,416)
Distributions to Reversioner	0	0
Total Net Receipts/(Disbursements)	(\$79,171)	(\$138,100)

Notes:

- (a) Hibbing office employee severance payments made in November 2016, which were originally scheduled for December 2016.
(b) Reclassification of some Pension expense to Legal expense for employment matter.
(c) The mailing to certificate holders was less voluminous than expected and, accordingly, less expensive to process. In addition, some of this expense was paid in November 2016.
(d) Legal expense higher than originally estimated with more allocated to Reversioner due to work performed with Transfer Documents and follow-up services related to the October 26, 2016 Court Order.
(e) Increase due to prepaying insurance coverage for 2017, upon recommendation and guidance of agent.

Schedule 5

January 2017 (Actual)

<u>Category of Receipts and/or Disbursements</u>	January 2017 (Actual)	
	Receipts & (Disbursements) Allocable to Certificate Holders	Receipts & (Disbursements) Allocable to Reversioner
Royalties receipts	\$0	\$0
Interest income receipts	1,206	0
Miscellaneous receipts (sand, gravel, etc.)	0	0
Trustee compensation (a)	(16,962)	(16,962)
Staff compensation and related payroll tax disbursements (b)	(49,885)	(49,885)
Pension expense disbursements	0	0
Shareholder relations expense disbursements	(1,628)	0
Legal expense disbursements (c)	(10,550)	(36,584)
Accounting expense disbursements	0	0
St. Paul office expense disbursements (d)	(15,213)	(11,732)
Range office expense disbursements (e)	0	0
Distributions to Reversioner	0	0
Total Net Receipts/(Disbursements)	(\$93,032)	(\$115,163)

Notes:

- (a) Due to the death of Trustee Staehle in mid-January 2017, Trustee compensation less than originally estimated.
(b) A Hibbing Office employee was released as of December 31, 2016 vs. February 28, 2017, as originally scheduled; hence, reduced staff compensation.
(c) Legal expense higher than originally estimated with more allocated to Reversioner due to subsequent work performed on title matters.
(d) St. Paul office expense higher than originally estimated for services of President's executive assistant and severance payment.
(e) All Range office expenses will be paid by Reversioner as of January 1, 2017.

Schedule 6

February 2017 (Estimate as of January 31, 2017)

<u>Category of Receipts and/or Disbursements</u>	<u>Receipts & (Disbursements) Allocable to Certificate Holders</u>	<u>Receipts & (Disbursements) Allocable to Reversioner</u>
Royalties receipts	\$0	\$0
Interest income receipts	1,000	0
Miscellaneous receipts (sand, gravel, etc.)	0	0
Trustee compensation (a)	(15,209)	(15,209)
Staff compensation and related payroll tax disbursements (b)	(17,744)	(17,744)
Pension expense disbursements	0	0
Shareholder relations expense disbursements (c)	(45,044)	0
Legal expense disbursements (d)	(53,899)	(60,119)
Accounting expense disbursements	(1,250)	(1,250)
St. Paul office expense disbursements (e)	(5,140)	(18,629)
Range office expense disbursements (f)	0	103
Distributions to Reversioner	0	0
Total Net Receipts/(Disbursements)	(\$137,286)	(\$112,848)

Notes:

- (a) Due to the death of Trustee Staehle in mid-January 2017, Trustee compensation less than originally estimated.
(b) A Hibbing Office employee was released as of December 31, 2016 vs. February 28, 2017, as originally scheduled; hence, reduced staff compensation.
(c) Additional Shareholder Relations expenses for hearing in February 2017.
(d) Additional Legal Expenses related to February 21, 2017 hearing and other Trust termination services.
(e) The expense for moving the files, furniture and equipment to Hibbing was less than originally estimated.
(f) All Range office expenses will be paid by Reversioner as of January 1, 2017; however, nominal refund expected from the W/C audit.

Schedule 7

March through May 2017 (Estimate as of January 31, 2017)

<u>Category of Receipts and/or Disbursements</u>	<u>Receipts & (Disbursements) Allocable to Certificate Holders</u>	<u>Receipts & (Disbursements) Allocable to Reversioner</u>
Royalties receipts	\$0	\$0
Interest income receipts	0	0
Miscellaneous receipts (sand, gravel, etc.)	0	0
Trustee compensation (a)	(45,625)	(45,625)
Staff compensation and related payroll tax disbursements (b)	(24,000)	(24,000)
Pension expense disbursements	0	0
Shareholder relations expense disbursements (c)	(39,000)	0
Legal expense disbursements (d)	(15,750)	(14,750)
Accounting expense disbursements	0	0
St. Paul office expense disbursements	0	0
Range office expense disbursements	0	0
Distributions to Reversioner	0	0
Total Net Receipts/(Disbursements)	(\$124,375)	(\$84,375)

Notes:

- (a) Subject to Court approval of Trustees' Report, additional Trustee compensation to be paid until Trustees fully discharged by the Court and the Trust is dissolved and finally terminated, pursuant to ¶ 12 of the October 26, 2016 Court Order.
(b) Subject to Court approval, consulting agreement payments to CFO for the 3-month period after February 2017.
(c) Additional estimated Shareholder Relations expenses for February 21, 2017 hearing and remaining stock transfer services for the year.
(d) Additional estimated Legal Expenses for the 3-month period after February 2017.

STATE OF MINNESOTA
COUNTY OF RAMSEY

DISTRICT COURT
SECOND JUDICIAL DISTRICT
Court File No. 62-C5-72-386008

In the Matter of the Trust known as
Great Northern Iron Ore Properties

ORDER

This matter came on for hearing before the undersigned on February 21, 2017, pursuant to Court's Order for Hearing dated October 26, 2016 ("Order for Hearing"), for the purpose of the Court's review and approval of the final report of the Trustees of the above-captioned Trust ("Trustees' Report"), which was filed pursuant to the Court's Order dated October 26, 2016 ("2016 Order") issued after the Trust's final accounting hearing held on October 14, 2016 ("October 2016 hearing").

Sue Ann Nelson, Esq., and Dale J. Schoonover, Esq., appeared on behalf of the Trustees. Stephanie A. Ball, Esq., appeared on behalf of the reversionary beneficiary of the Trust, Glacier Park Iron Ore Properties LLC ("Reversioner"). No appearances were made by or on behalf of the income beneficiaries of the Trust of record as of April 6, 2015 ("Certificate Holders") or any third party.

Based on the Trustees' Report, the testimony and evidence in support of the Trustees' Report, and the entire files and record herein, and the Court being advised on the premises,

IT IS HEREBY ORDERED:

1. That due notice of this hearing was given pursuant to the Court's Order for Hearing, as more fully appears from the affidavits of mailing contained in the file.
2. That, pursuant to the 2016 Order, a copy of the Trustees' Report and accompanying proposed order was mailed to the Certificate Holders and the Reversioner and

posted on the Trust's website at www.gniop.com on or before February 14, 2017, as more fully appears from the affidavits contained in the file.

3. That, as of December 8, 2016, the Reversioner of the Trust, Glacier Park Iron Ore Properties LLC, is owned by NRC Iron Ore Partners, LLLP, and as more fully appears from the affidavits contained in the file, Glacier Park Iron Ore Properties LLC continues to be the current and proper Reversioner to be transferred the Trust's remaining reserves as allocable to the Reversioner and as ordered herein.

4. That, having been advised of Trustee Roger W. Staehle's death on January 16, 2017, the Court confirms that a successor trustee need not be appointed by Trustees Joseph S. Micallef, Robert A. Stein and James E. Swearingen.

5. That, consistent with the 2016 Order, and with the exception of making the final distributions of the Trust's remaining reserves to the Certificate Holders and the Reversioner as ordered herein, the Trustees have completed or are in the process of completing the tasks and actions that remained to be completed after the October 2016 hearing in winding up the affairs of the Trust ("Remaining Wind-Up Tasks"), including the following:

a. On October 31, 2016, the Trustees received the Principal Charges Account balance of \$5,527,074.14 from the Reversioner for the benefit of the Certificate Holders;

b. On November 3, 2016, by delivery of the Transfer Documents (as defined in the 2016 Order) to the Reversioner, the Trustees completed the conveyance of the Trust's non-cash property (inclusive of the Trust's mineral and non-mineral properties, mineral leases, and the Hibbing office building) to the Reversioner;

c. In November and December 2016, the Trustees terminated the employment of all of the Trust's temporary employees in the Hibbing mining and engineering

office and all but two of the Trust's temporary employees in the administrative and accounting office in St. Paul;

d. On January 26, 2017, and after confirming no timely appeal of the 2016 Order, the Trustees wire-transferred \$10,065,000 to the Trust's paying agent, Wells Fargo Shareowner Services, a division of Wells Fargo Bank, N.A. ("Wells Fargo"), for distribution to the Certificate Holders in the amount of \$6.71 per share;

e. In January and February 2017, the Trust's employment and income tax were prepared for filing;

f. In advance of the closure of the Trust's St. Paul office on February 28, 2017, the majority of the remaining active files, furniture and equipment were moved to the Reversioner's Hibbing office, the employment of the Trust's two remaining temporary employees was terminated, and the Trustees entered into a 3-month consulting agreement with the Chief Financial Officer for the March 1–May 31, 2017 period to assist the Trustees in completing the post-February 2017 tasks and actions as approved herein; and

g. The Trustees prepared for the Court's review and approval financial statements for the post-June 30, 2016 period showing the Trust's (i) actual revenue and expenses through January 31, 2017, (ii) estimated revenue to be received and estimated expenses to be paid in February 2017 (as updated at the February 21, 2017 hearing) and in the March 1–May 31, 2017 period (the latter encompassing the appeal period for this Order under Minnesota Statutes § 501C.0204 and Minnesota Rules of Appellate Procedure 104.01), and (iii) estimated remaining reserves as allocable to the Certificate Holders and the Reversioner.

6. That the consulting agreement entered into by the Trustees with the Chief Financial Officer for the March 1–May 31, 2017 period is approved.

7. That the Trustees' financial statements for the post-June 30, 2016 period, including the estimated revenue to be received and estimated expenses to be paid in the month of February 2017 (as updated at the February 21, 2017 hearing) and the estimated expenses for the March-May 2017 period, are approved, settled and allowed in all respects.

8. That, after the Trustees' payment of the Trust's expenses for the month of February 2017 and the March 1-May 31, 2017 period, the final resulting remaining reserves as allocable to the Certificate Holders (currently estimated to be \$871,172) and as allocable to the Reversioner (currently estimated to be \$2,639,273) (respectively, the "Certificate Holders' Remaining Reserve" and the "Reversioner's Remaining Reserve," and, collectively, the "Remaining Reserves") shall be distributed to the Certificate Holders and the Reversioner as follows:

a. Pending the expiration of the appeal period for this Order under Minnesota Statutes § 501C.0204 and Minnesota Rules of Appellate Procedure 104.01 ("Appeal Period"), the Trustees shall transfer the Remaining Reserves to the Trust's paying agent, Wells Fargo. In the event of a timely appeal of this Order, the Trustees shall withhold any distributions (and Wells Fargo shall continue to hold) the Remaining Reserves pending the final resolution of such appeal and until after the Trustees have submitted a report to the Court regarding the expenses and costs of such appeal and the Court has issued a new order.

b. In the event of no appeal of this Order, and as soon as practicable after the expiration of the Appeal Period and confirmation of no timely appeal filing, the Trustees shall direct Wells Fargo (i) to distribute the Certificate Holders' Remaining Reserve to the Certificate Holders on a per share basis with 1,500,000 shares outstanding, and (ii) to distribute the Reversioner's Remaining Reserve to the Reversioner, Glacier Park Iron Ore Properties LLC.

9. That the Co-Trustee Bond shall be terminated as of December 22, 2017.

10. That the Trustees' acts and actions in the administration of the Trust are approved, ratified and confirmed.

11. That, upon the final distribution of the Remaining Reserves to the Certificate Holders and the Reversioner as ordered herein, (a) Trustees Joseph S. Micallef, Roger W. Staehle, Robert A. Stein and James E. Swearingen shall be fully and formally discharged, (b) the Trust shall cease, terminate, and be dissolved, and (c) the Court's jurisdiction over the Trust as a proceeding *in rem* shall be terminated pursuant to Minnesota Statutes § 501C.0201.

BY THE COURT

Dated: _____

Margaret M. Marrinan
Judge of District Court