GREAT NORTHERN IRON ORE PROPERTIES
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Financial Report for the Quarterly Period Ended March 31, 2016
(Uploaded to Web site April 29, 2016)

GREAT NORTHERN IRON ORE PROPERTIES
CONDENSED BALANCE SHEETS

	March 31, 2016 (Unaudited)	December 31, 2015 (Note)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 7,265,025	$ 7,316,480
Royalties receivable	2,489,121	4,063,578
Prepaid expenses	17,359	2,110
TOTAL CURRENT ASSETS	9,771,505	11,382,168
PROPERTIES		
Mineral and surface lands	39,479,708	39,479,708
Accumulated depletion and amortization	(39,461,607)	(39,461,607)
	18,101	18,101
Building and equipment	335,767	335,767
Accumulated depreciation	(330,767)	(330,767)
	5,000	5,000
TOTAL PROPERTIES	23,101	23,101
TOTAL ASSETS	$ 9,794,606	$ 11,405,269
LIABILITIES AND BENEFICIARIES' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 97,856	$ 110,221
Liability for pension benefits	611,568	523,341
TOTAL CURRENT LIABILITIES	709,424	633,562
BENEFICIARIES' EQUITY		
Certificate holders' equity, represented by 1,500,000 certificates (shares or units) of beneficial interest authorized and outstanding, and the reversionary interest	10,756,336	12,594,529
Accumulated other comprehensive loss	(1,671,154)	(1,822,822)
TOTAL BENEFICIARIES' EQUITY	9,085,182	10,771,707
TOTAL LIABILITIES AND BENEFICIARIES' EQUITY	$ 9,794,606	$ 11,405,269

Note: The balance sheet at December 31, 2015 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

See notes to condensed financial statements.

GREAT NORTHERN IRON ORE PROPERTIES
CONDENSED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended March 31	
	2016	2015
REVENUES		
Royalties	$ 2,737,495	$ 4,394,955
Interest and other income	21,987	391,262
	2,759,482	4,786,217
Costs and expenses	(1,012,675)	(1,638,110)
NET INCOME	$ 1,746,807	$ 3,148,107
Weighted-average shares outstanding	1,500,000	1,500,000
BASIC & DILUTED EARNINGS PER SHARE	$ 1.16	$ 2.10
Distributions per share	$ -	$ 1.30

Allocation of Condensed Statements of Income between Certificate Holders and Reversioner

	Three Months Ended March 31, 2016		
	Cert. Holders	Reversioner	Total
REVENUES			
Royalties	$ -	$ 2,737,495	$ 2,737,495
Interest and other income	1,865	20,122	21,987
	1,865	2,757,617	2,759,482
Costs and expenses	(548,577)	(464,098)	(1,012,675)
NET INCOME	$ (546,712)	$ 2,293,519	$ 1,746,807
Weighted-average shares outstanding	1,500,000	1,500,000	1,500,000
BASIC & DILUTED EARNINGS PER SHARE	$ (0.3645)	$ 1.5290	$ 1.1645

See notes to condensed financial statements.

GREAT NORTHERN IRON ORE PROPERTIES
CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended March 31	
	2016	2015
NET INCOME	$ 1,746,807	$ 3,148,107
Other comprehensive income:		
Defined benefit pension plan:		
Amortization of net loss included in net periodic pension cost	151,668	610,857
Total other comprehensive income	151,668	610,857
TOTAL COMPREHENSIVE INCOME	$ 1,898,475	$ 3,758,964

See notes to condensed financial statements.

GREAT NORTHERN IRON ORE PROPERTIES
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31	
	2016	2015
Cash flows from operating activities:		
Cash received from royalties and rents	$ 4,332,074	$ 3,578,460
Cash paid to suppliers and employees	(800,394)	(1,158,348)
Interest received	1,865	11,843
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,533,545	2,431,955
Cash flows from investing activities:		
United States Treasury securities matured	-	7,525,000
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	7,525,000
Cash flows from financing activities:		
Distributions paid	(3,585,000)	(3,000,000)
NET CASH USED IN FINANCING ACTIVITIES	(3,585,000)	(3,000,000)
Net (decrease) increase in cash and cash equivalents	(51,455)	6,956,955
Cash and cash equivalents at beginning of year	7,316,480	899,283
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 7,265,025	$ 7,856,238

See notes to condensed financial statements.

GREAT NORTHERN IRON ORE PROPERTIES
NOTES TO CONDENSED FINANCIAL STATEMENTS
(Unaudited)

Periods of Three Months ended March 31, 2016 and March 31, 2015

Note 1 – BASIS OF PRESENTATION

The accompanying unaudited condensed financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the periods stated above are not necessarily indicative of the results that may be expected for each respective full year. For further information, refer to the financial statements and footnotes included in the Great Northern Iron Ore Properties ("Trust") Annual Report of the Trustees for the year ended December 31, 2015.

With the April 6, 2015 termination date of the Trust, revenues and expenses are allocated between the certificate holders and the reversioner after the April 6, 2015 termination date of the Trust. With respect to Royalties and other income, mining cutoffs were obtained as of April 6, 2015, and royalties accrued after that date are primarily credited to the reversioner. Interest income is credited to the certificate holders as it relates to the monies on hand yet to be distributed to the certificate holders. Costs and expenses benefitting the lands and their inspections after April 6, 2015, including real estate taxes and a majority of the Hibbing Office (Iron Range) staff compensation and expenses, are charged to the reversioner. Costs and expenses benefitting certificate holder interests only after April 6, 2015, including shareholder relations expenditures and pension expense (representing past service), are charged to the certificate holders. Costs and expenses benefitting both beneficiaries after April 6, 2015, including Trustees' fees, St. Paul Office staff compensation, St. Paul Office expenses and audit fees, which are generated from the wind-down activities as well as the ongoing operations, are generally split equally between the certificate holders and the reversioner. Certain costs and expenses after April 6, 2015 are allocated based on the service provided, such as legal fees.

Note 2 – PENSION PLAN

The Trust has a noncontributory defined benefit pension plan that covers all employees. The Trustees are not eligible for pension benefits under the plan based on their services as Trustees. Although the termination date of the Trust was April 6, 2015, there has been no pension plan curtailment or settlement that would require the immediate recognition of certain amounts in other comprehensive income/loss. Immediate recognition of such amounts from accumulated other comprehensive income/loss will occur in the period that the pension plan is settled. The pension accounting guidance requires employers with pension plans to recognize the funded (or unfunded) status of a plan on the face of the balance sheet. The funded status is determined by comparing the pension plan assets at fair value to the projected (future) benefit obligation.

A summary of the components of net periodic pension cost is as follows:

	Three Months Ended March 31	
	2016	2015
Interest cost	$ 91,100	$ 101,725
Expected return on assets	(2,873)	(77,955)
Amortization of net loss	151,668	610,857
Net periodic pension cost	$ 239,895	$ 634,627

The Trust had previously disclosed in its Annual Report as of December 31, 2015, that the next contribution to the pension plan for the year 2016 was estimated to approximate $523,341, which was subject to the plan's annual actuarial valuation to be performed as of the plan's fiscal year end, March 31. However, just prior to March 31, 2016, the Trust received a favorable determination letter from the Internal Revenue Service indicating that the termination of the pension plan will not impact its qualified status. Accordingly, in lieu of preparing another actuarial valuation, the Trustees are proceeding directly with the process of purchasing an annuity contract for the benefit of all the Trust's retirees. The actual contribution to the pension plan, if any, will be dependent on the bids received from the annuity contract providers, which process is expected to occur late in the second quarter of 2016, with settlement expected early in the third quarter of 2016. No additional information is available at this time.

Note 3 – BENEFICIARIES' EQUITY

Pursuant to the Court Order of November 29, 1982, the Trustees were directed to create and maintain an account designated as "Principal Charges." This account constitutes a first and prior lien of certificate holders on any property transferable to the reversioner and reflects an allocation of beneficiaries' equity between the certificate holders and the reversioner. This account is neither an asset nor a liability of the Trust. Rather, this account maintains and represents a balance which will be payable to the certificate holders of record from the reversioner at the end of the Trust. The balance in this account consists of (i) attorneys' fees and expenses pursuant to Court Orders in connection with litigation commenced in 1972 and 2014 relating to the Trustees' powers and duties under the Trust Agreement and (ii) the costs of homes and surface lands acquired in accordance with provisions of a lease with U.S. Steel Corporation, net of an allowance to amortize the cost of the land based on actual shipments of taconite and net of a credit for disposition of tangible assets.

Following is an analysis of this Principal Charges account for the period ended as of:

	March 31, 2016
Attorneys' fees and expenses	$ 1,852,921
Costs of surface lands	6,606,815
Cumulative shipment credits	(2,560,538)
Cumulative asset disposition credits	(372,124)
Principal Charges account balance	$ 5,527,074

Pursuant to the 1982 Court Order, the Trustees may either sell tangible assets or obtain a loan with tangible assets as security to provide monies for distribution to the certificate holders in the amount of the Principal Charges account balance. However, other arrangements are being made with the reversioner to settle the Principal Charges account balance nearer the date of the Trust's final dissolution. Pursuant to the Court Order of January 26, 2015, expenses incurred after December 2013 and before the Trust's termination date that were allocated to the reversioner were charged to the Principal Charges account as of April 6, 2015. The Principal Charges account balance reflects these post-2013 expenses that were allocated to the reversioner, which are included within the "Attorneys' fees and expenses" line shown above.

Note 4 – ACCUMULATED OTHER COMPREHENSIVE LOSS

A summary of the component items (all affecting the "Costs and expenses" line item within the Condensed Statements of Income) showing the reclassifications out of "Accumulated other comprehensive loss" ("AOCL") is as follows:

	Amounts reclassified from AOCL Three Months Ended March 31	
Component item	2016	2015
Amortization of defined benefit pension items:		
Net loss	$ 151,668	$ 610,857
Total	$ 151,668	$ 610,857

A summary of the changes in AOCL by component item is as follows:

	Three Months Ended March 31, 2016
	Net Loss
Defined benefit pension items:	
Balance at beginning of period	$ (1,822,822)
Amounts reclassified from AOCL	151,668
Balance at end of period	$ (1,671,154)

	Three Months Ended March 31, 2015
	Net Loss
Defined benefit pension items:	
Balance at beginning of period	$ (3,642,178)
Amounts reclassified from AOCL	610,857
Balance at end of period	$ (3,031,321)

GREAT NORTHERN IRON ORE PROPERTIES

Management's Discussion and Analysis of Financial Condition and Results of Operations

Periods of Three Months ended March 31, 2016 and March 31, 2015

Royalties decreased $1,657,460 during the three month period ended March 31, 2016, as compared to the same period in 2015, due mainly to reduced taconite tonnage mined from the Trust's properties.

Interest and other income decreased $369,275 during the three month period ended March 31, 2016, as compared to the same period in 2015, due mainly to reduced aggregate (sand and gravel) revenues received.

Costs and expenses decreased $625,435 during the three month period ended March 31, 2016, as compared to the same period in 2015, due mainly to reduced net periodic pension cost associated with the Trust's defined benefit pension plan and the elimination of depreciation and amortization as a result of the assets being fully depreciated/amortized as of March 31, 2015.