



NEWS RELEASE

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Ironworld Development Corporation financial, internal control review complete

An independent review of Ironworld Development Corporation did not find any instances of fraud or financial mismanagement at Minnesota Discovery Center in Chisholm. However, the review, conducted by RSM McGladrey, makes 35 observations and recommendations aimed at improved monitoring controls, communication of financial information among stakeholders and segregation of duties.

Ironworld Development Corp. manages and operates Minnesota Discovery Center under a sublease management agreement with Iron Range Resources. Ironworld Development Corp. temporarily closed the history and cultural center on November 20, 2009, after notifying Iron Range Resources of a financial deficit. Iron Range Resources owns the center's buildings and many of the collections.

"We are pleased with the thoroughness and detail of the review and hope that the IDC finds these third-party observations helpful," said Sandy Layman, Iron Range Resources commissioner. "With these recommendations in hand, Iron Range Resources will work with Ironworld Development Corp. to reopen the facility with a viable operating plan."

"Our board remains committed to reopening the center," said Rich Puhek, Ironworld Development Corp. board chairman. "In order to reopen, we need to develop a long-term plan for success. This report is a blueprint for the organizational improvements that will help us be a successful and sustainable organization. We thank Iron Range Resources staff and board members for their continued support during this challenging time."

Iron Range Resources and Ironworld Development Corp. have reached agreement on a \$132,430 loan that allows Ironworld Development Corp. to pay off outstanding bills and initiate business planning services. Ironworld Development Corp. has agreed to repay the loan in late March following receipt of the center's 2010 interest payment on its endowment fund.

The \$19,497 review, which began in December 2009, was funded by Iron Range Resources. The full review is available on the Iron Range Resources website at <http://www.ironrangeresources.org/new/newsreleases>