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Minnesota Power Energizes More Iron Range Growth

New Magnetation Plant scheduled to be operational during the first quarter of 2015

Duluth, Minn.- Minnesota Power, an operating division of ALLETE, Inc. (NYSE:ALE) has built a new electric substation and constructed and energized about ten miles of new transmission lines to serve electric power to Magnetation LLC's nearly-completed Plant 4 iron ore concentrate plant north of Grand Rapids, Minn.

Magnetation LLC is a joint venture formed in 2011 between Magnetation, Inc. and AK Steel Corp. It produces high-quality iron ore concentrate from previously abandoned iron ore waste stockpiles and tailings basins using a patented magnetic separation process.

Minnesota Power provides service to two other Magnetation plants on Minnesota's Mesabi Iron Range as well as a rail loading facility. The largest of these, Plant 4 will require up to 20 megawatts (MW) of electric power and will produce 2 million metric tonnes of iron concentrates annually following completion of construction later this year. Magnetation has said it expects Plant 4 to be operating early in the first quarter of 2015. Minnesota Power and Magnetation entered into an electric service agreement for Plant 4's 20 MW load through at least 2025 that was approved by the Minnesota Public Utilities Commission in May 2014.

Magnetation's Plant 4 required the Duluth-based energy company to permit and build the Canisteo substation and route and construct 115-kilovolt transmission lines totaling about ten miles in length. The Minnesota Public Utilities Commission timely approved Minnesota Power's route permit application in June. Construction on the transmission project began in July and was expedited to match Magnetation's aggressive plant start-up.

"We're proud to work in tandem with an innovative new customer expanding its production," said ALLETE Chairman, President and CEO Al Hodnik. "Minnesota Power has been powering the mining industry for decades and it's exciting to provide increased electric power to Magnetation, a company developing Iron Range resources in a new way and contributing to the overall health of our region's economy."

Founded in 2006, the privately-held Magnetation Inc. was created with the intention of using magnetic separation technology to capture iron ore particles left over from previous mining operations on Minnesota's Iron Range dating back to the 1890s. Magnetation LLC has recently completed construction of a 3 million metric-tonne-per-year iron ore pellet plant in Reynolds, Ind.

Once fully operational, Magnetation LLC will supply approximately 50 percent of AK Steel's annual requirements of fluxed iron ore pellets. AK Steel operates blast furnaces at steel plants in Middletown, Ohio, Ashland, Ky., and Dearborn, Mich.

Minnesota Power provides electric service within a 26,000-square-mile area in northeastern Minnesota, supporting comfort, security and quality of life for 143,000 customers, 16 municipalities and some of the largest industrial customers in the United States. More information can be found at www.mnpower.com.

The statements contained in this release and statements that ALLETE may make orally in connection with this release that are not historical facts, are forward-looking statements. Actual results may differ materially from those projected in the forward-looking statements. These forward-looking statements involve risks and uncertainties and investors are directed to the risks discussed in documents filed by ALLETE with the Securities and Exchange Commission.

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