

MESABI TRUST  
Form 8-K  
January 30, 2019

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

**Current Report**

**Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934**

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Date of Report (Date of earliest event reported):

**January 28, 2019**

**MESABI TRUST**

(Exact name of registrant as specified in its charter)

**New York**  
(State or other jurisdiction of  
incorporation)

**1-4488**  
(Commission File Number)

**13-602227**  
(I.R.S. Employer Identification  
Number)

**c/o Deutsche Bank Trust Company Americas**  
**Trust & Agency Services**  
**60 Wall Street**  
**16th Floor**  
**New York, New York**  
(Address of principal executive offices)

**10005**  
(Zip Code)

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(904) 271-2520

(Registrant's telephone number, including area code)

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 7.01 Regulation FD.**

On January 28, 2019, the Trustees of Mesabi Trust (NYSE: MSB) received the quarterly royalty report of iron ore shipments from Silver Bay, Minnesota during the quarter ended December 31, 2018 from Cleveland-Cliffs Inc. ( Cliffs ), the parent company of Northshore Mining Company ( Northshore ).

As reported to the Trust by Cliffs in the quarterly royalty report, based on shipments of iron ore products by Northshore during the fourth quarter ended December 31, 2018, Mesabi Trust was credited with a base royalty of \$8,630,694. Mesabi Trust also was credited with a bonus royalty in the amount of \$4,306,926. Royalties paid to Mesabi Trust reflected the reduction of \$717,724 as a result of negative pricing adjustments to base and bonus royalty calculations related to changes in price estimates made during prior quarters. In addition, a royalty payment of \$168,767 was paid to the Mesabi Land Trust. Accordingly, the total royalty payments received by Mesabi Trust on January 30, 2019 from Northshore were \$12,388,664.

The royalties paid to Mesabi Trust are based on the volume of shipments of iron ore pellets for the quarter and the year to date, the pricing of iron ore product sales, and the percentage of iron ore pellet shipments from Mesabi Trust lands rather than from non-Mesabi Trust lands. In the fourth calendar quarter of 2018, Northshore credited Mesabi Trust with 1,315,238 tons of iron ore shipped, as compared to 905,923 tons during the fourth calendar quarter of 2017.

The volume of shipments of iron ore pellets (and other iron ore products) by Northshore varies from quarter to quarter, and year to year, based on a number of factors, including the requested delivery schedules of customers, general economic conditions in the iron ore industry and weather conditions on the Great Lakes. Further, the prices under term contracts among Northshore, Cliffs and certain of their customers (the Cliffs Pellet Agreements ), to which Mesabi Trust is not a party, are subject to interim and final pricing adjustments, dependent in part on multiple price and inflation index factors that are not known until after the end of a contract year. These multiple factors can result in significant variations in royalties received by Mesabi Trust (and in turn the resulting funds available for distribution to Unit holders by Mesabi Trust) from quarter to quarter and from year to year. These variations, which can be positive or negative, cannot be predicted by the Trustees of Mesabi Trust. Royalty payments anticipated to be received during fiscal 2020 will continue to reflect pricing estimates for shipments of iron ore products that will be subject to positive or negative pricing adjustments pursuant to the Cliffs Pellet Agreements. Based on the above factors, and as indicated by the Trust's historical distribution payments, the royalties received by the Trust, and the distributions paid to Unit holders, if any, in any particular quarter, are not necessarily indicative of royalties that will be received, or distributions that will be paid, if any, in any subsequent quarter or any entire year.

With respect to the balance of calendar year 2019, Northshore has not advised Mesabi Trust of its expected shipments of iron ore products or what percentage of 2019 shipments will be of Mesabi iron ore mined from Mesabi Trust lands. Cliffs indicated that the royalty payments being reported today are based on estimated iron ore pellet prices under the Cliffs Pellet Agreements, which are subject to change. It is possible that future negative price adjustments could offset, or even eliminate, royalties or royalty income that would otherwise be payable to Mesabi Trust in any particular quarter, or at year end, thereby potentially reducing cash available for distribution to Mesabi Trust's Unit holders in future quarters.

This report contains certain forward-looking statements with respect to iron ore pellet production, iron ore pricing and adjustments to pricing, shipments by Northshore in 2019, royalty (including bonus royalty) amounts, and other matters, which statements are intended to be made under the safe harbor protections of the Private Securities Litigation Reform Act of 1995, as amended. Actual production, prices, price adjustments, and shipments of iron ore pellets, as well as actual royalty payments (including bonus royalties) could differ materially from current expectations due to inherent risks and uncertainties such as general adverse business and industry economic trends, uncertainties arising from war, terrorist events and other global events, higher or



lower customer demand for steel and iron ore, decisions by mine operators regarding curtailments or idling production lines or entire plants, announcements and implementation of trade tariffs, environmental compliance uncertainties, difficulties in obtaining and renewing necessary operating permits, higher imports of steel and iron ore substitutes, processing difficulties, consolidation and restructuring in the domestic steel market, indexing features in Cliffs Pellet Agreements resulting in adjustments to royalties payable to Mesabi Trust and other factors. Further, substantial portions of royalties earned by Mesabi Trust are based on estimated prices that are subject to quarterly and final adjustments, which can be positive or negative, and are dependent in part on multiple price and inflation index factors under agreements to which Mesabi Trust is not a party and that are not known until after the end of a contract year. Although the Mesabi Trustees believe that any such forward-looking statements are based on reasonable assumptions, such statements are subject to risks and uncertainties, which could cause actual results to differ materially. Additional information concerning these and other risks and uncertainties is contained in the Trust's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K. Mesabi Trust undertakes no obligation to publicly update or revise any of the forward-looking statements made herein to reflect events or circumstances after the date hereof.

In accordance with general instruction B.2 to Form 8-K, the information in this Form 8-K shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**MESABI TRUST**

By: */s/ Jeffrey Schoenfeld*  
Jeffrey Schoenfeld  
Vice President  
Deutsche Bank National Trust Company  
For Deutsche Bank Trust Company Americas  
Corporate Trustee of Mesabi Trust

Dated: January 30, 2019