



# POLYMET

MINING

**Minnesota Commitment | Global Opportunity**

**December 2017**

# Cautionary Statement

This presentation contains certain forward-looking statements concerning anticipated developments in PolyMet Mining Corp. ("PolyMet")'s operations in the future. Forward-looking statements are frequently, but not always, identified by words such as "expects," "anticipates," "believes," "intends," "estimates," "potential," "possible," "projects," "plans," and similar expressions, or statements that events, conditions or results "will," "may," "could," or "should" occur or be achieved or their negatives or other comparable words. These forward-looking statements may include statements regarding our beliefs related to the expected project timelines, exploration results and budgets, reserve estimates, mineral resource estimates, continued relationships with current strategic partners, work programs, capital costs and expenditures, actions by government authorities, including changes in government regulation, the market price of natural resources, estimated production rates, costs, ability to receive environmental and operating permits, construction costs and hours created, job creation and other economic benefits, or other statements that are not a statement of fact.

Forward-looking statements address future events and conditions and therefore involve inherent known and unknown risks and uncertainties. These risks, uncertainties and other factors include, but are not limited to, adverse general economic conditions, operating hazards, inherent uncertainties in interpreting engineering and geologic data, fluctuations in commodity prices and prices for operational services, government regulation and foreign political risks, fluctuations in the exchange rate between Canadian and US dollars and other currencies, as well as other risks commonly associated with the industry. Actual results may differ materially from those in the forward-looking statements due to risks facing PolyMet or due to actual facts differing from the assumptions underlying its predictions.

In connection with the forward-looking information contained in this presentation, PolyMet has made numerous assumptions, regarding, among other things: the geological, metallurgical, engineering, financial and economic advice that PolyMet has received is reliable, and is based upon practices and methodologies which are consistent with industry standards. While PolyMet considers these assumptions to be reasonable, these assumptions are inherently subject to significant uncertainties and contingencies.

PolyMet's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and PolyMet does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations and opinions should change.

Specific reference is made to risk factors and other considerations underlying forward-looking statements discussed in PolyMet's most recent Annual Report on Form 40-F for the fiscal year ended January 31, 2017, and in our other filings with Canadian securities authorities and the U.S. Securities and Exchange Commission, including our Report on Form 6-K providing information with respect to our operations for the three and nine months ended October 31, 2017

The Annual Report on Form 40-F also contains the company's mineral resource and other data as required under National Instrument 43-101.

PolyMet's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are in U.S. funds.

# Unlocking Value in World-Class, Copper-Nickel District

- **NorthMet Project:**

- Measured & Indicated 694M tons @ 0.27% Cu, 0.08% Ni
- Mine Plan 225M tons @ 0.28% Cu, 0.08% Ni
- First Mover in Duluth Complex
- Reutilizing existing Erie Plant and associated infrastructure

- **Strategic support from Glencore**

- **EIS Issued – permit applications submitted and being reviewed**

- **Final ROD issued – land exchange**

- **Construction Finance – tied to permit issuance and updated DFS**

- **Production 18-24 months after receiving permits**

- **Potential for expansion and regional consolidation in Duluth Complex**

- **29% owned by Glencore and approximately 21% owned by Minnesota investors**

# Experienced Leadership

## **Jon Cherry, President, CEO, Director**

Leader in mining environmental policy, 20 years with Rio Tinto - Bingham Canyon, Eagle and Resolution Copper. +27 years experience.

## **Patrick Keenan, CFO**

Broad finance and executive leadership experience for major mining operations globally and domestic; senior finance executive for Rio Tinto and Newmont. +25 years experience.

## **Brad Moore, VP Environmental & Gov. Affairs**

Permitting and regulatory expert, former senior Minnesota government official. +25 years experience.

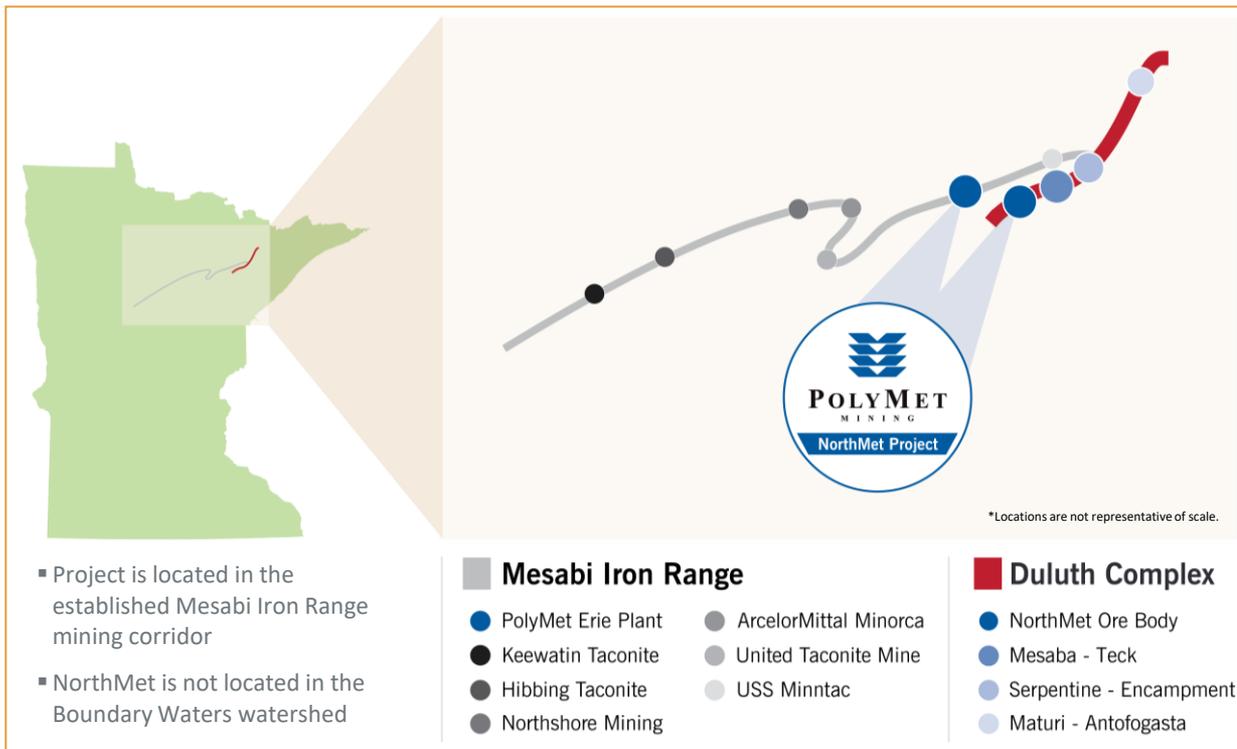
## **Andrew Ware, Chief Geologist**

Expert on the Duluth Complex and the mid-Continent Rift, broad experience in SE Asia and Mexico. +25 years experience with Rio Tinto.

## **Jim Tieberg, Mine Manager**

Over 20 years experience in mine operations, engineering, drilling/blasting & tailings basin construction.

# Minnesota Mining District

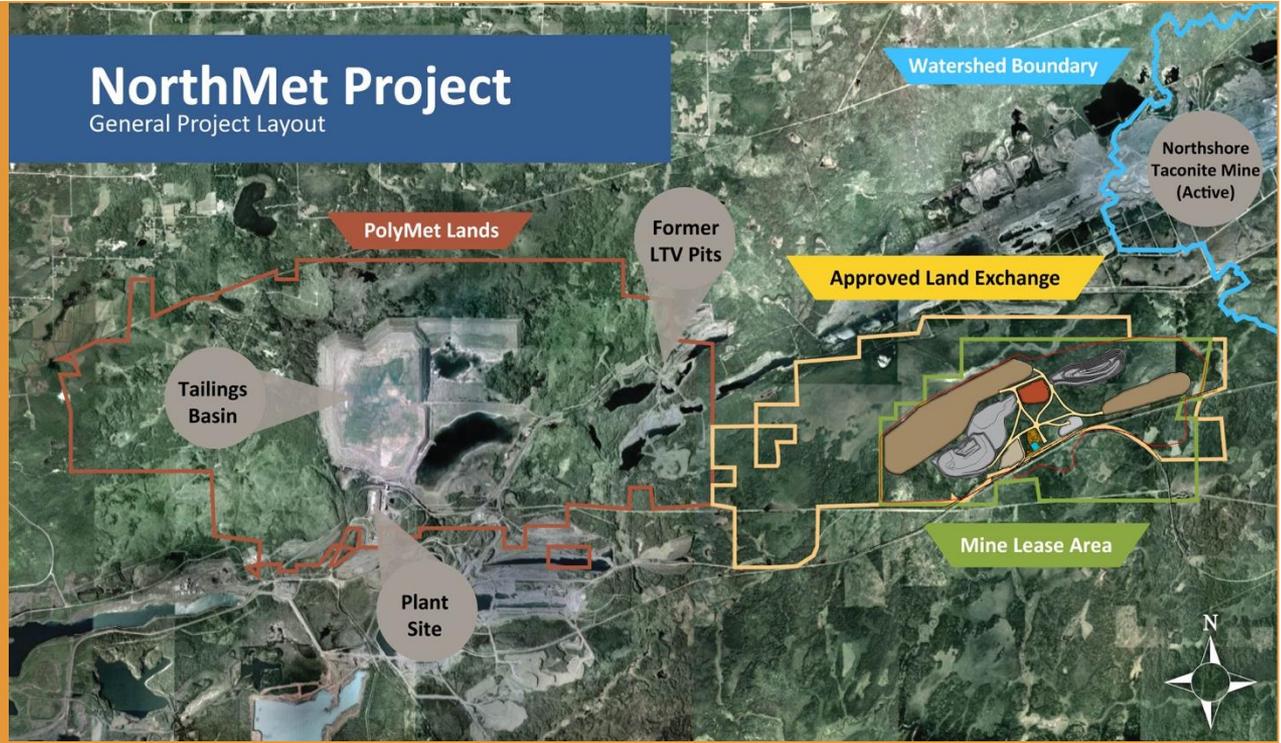


- Project is located in the established Mesabi Iron Range mining corridor
- NorthMet is not located in the Boundary Waters watershed

- First mover in Duluth Complex +4 billion tons, world-class copper-nickel-PGM resource
- PolyMet controls 100% of the NorthMet project
- Reutilizing existing Erie Plant infrastructure
- Located in existing mining district – skilled labor, suppliers, community support
- Experienced management team

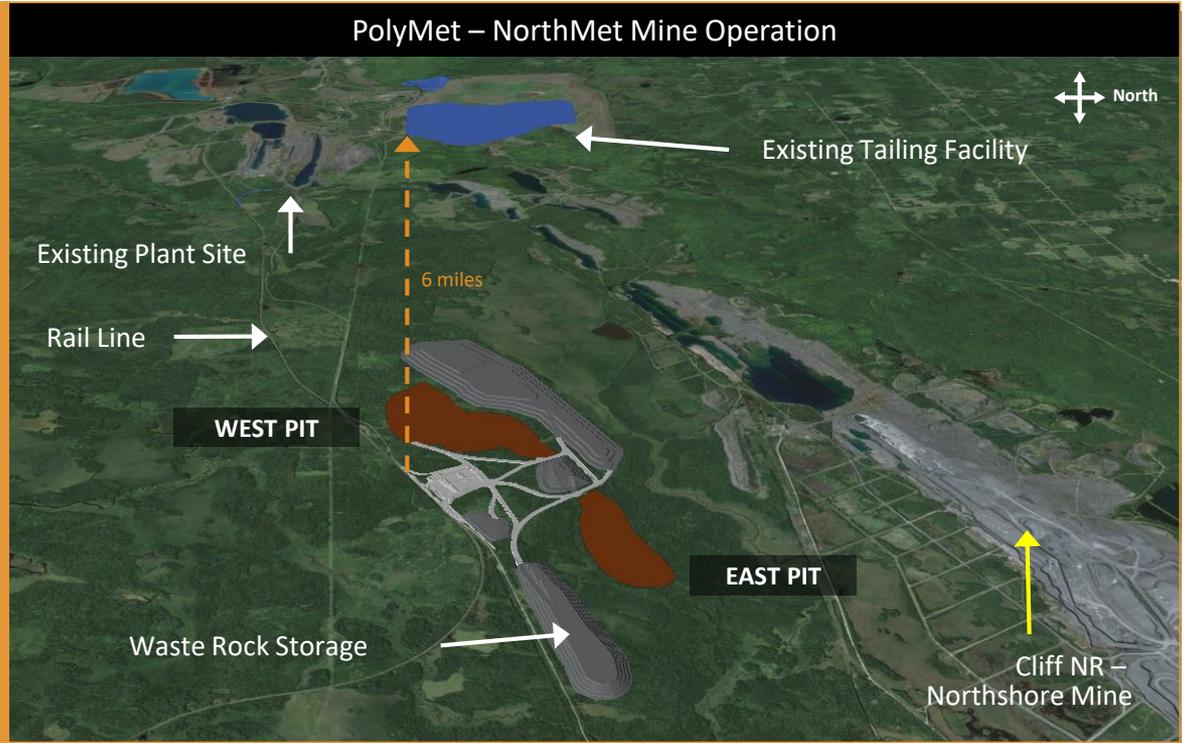
# The NorthMet Project

- Reutilizing existing Erie Plant and infrastructure
- Located south of the Laurentian Divide watershed
- Large, contiguous land holdings



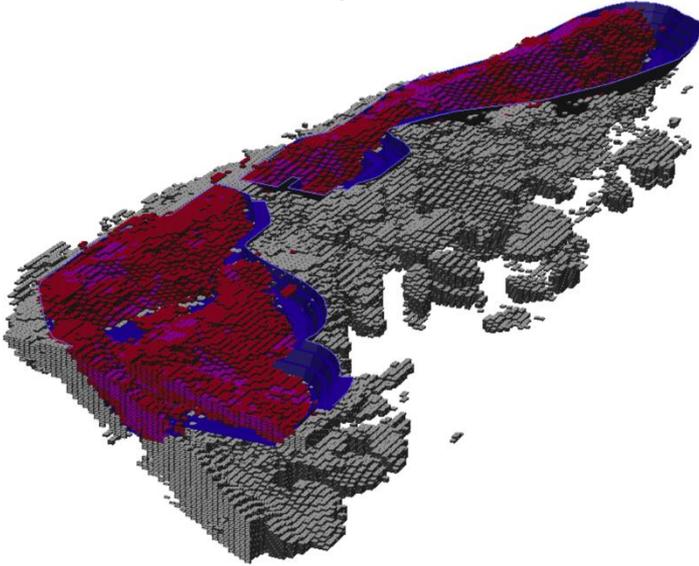
# The NorthMet Project

- New mine site is adjacent to existing and former iron ore mines
- Erie Plant, 6 miles west of ore body, connected by existing rail
- High-priority exploration targets – open east, west and south of ore body

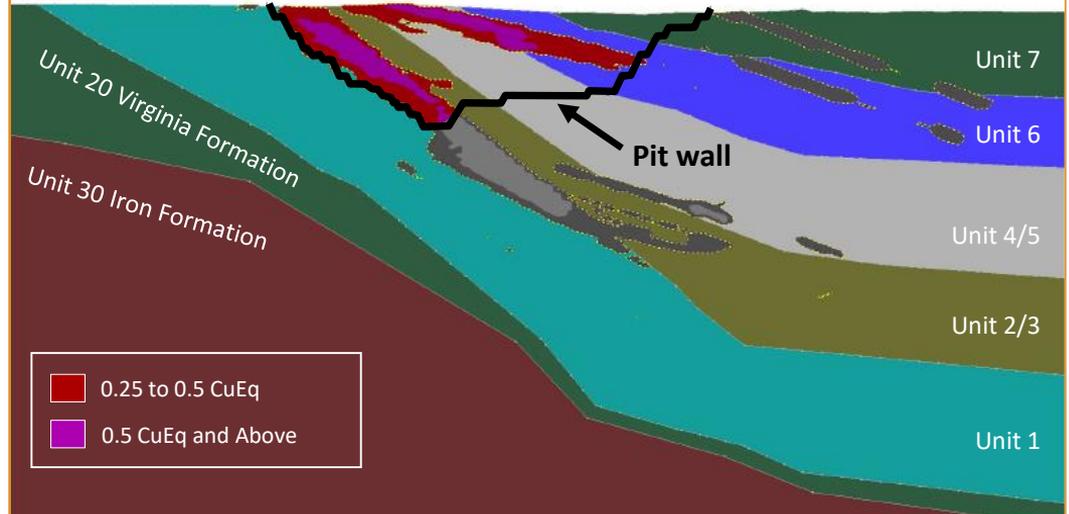


# World Class Copper District

NorthMet Ore Body



Section 35400ME (Looking North East)



- Disseminated, Polymetallic Deposit
- Low Strip (waste:ore) Ratio (1.4:1 life of mine),
- Minimal Over-Burden

# The NorthMet Resource

	Tonnage Million ST	Tonnage Million MT	% Copper	% Nickel
<b>Mineral Resource</b> <sup>1</sup>				
<b>Measured</b>	202	184	0.29%	0.08%
<b>Indicated</b>	492	446	0.26%	0.08%
<b>M+I</b>	694	630	0.27%	0.08%
<b>Inferred</b>	230	208	0.27%	0.08%
<b>Mine Plan</b> <sup>2</sup>	225	205	0.28%	0.08%

# NorthMet Production

## Life of Mine

<b>Ore Mined</b>	225	Million short tons
<b>Average processing rate</b>	32,000	Short tons per day
<b>Mine life</b>	19.5	Years

## Average in first five years

<b>Metal in concentrate – per year</b>		
<b>Copper</b>	72	Million pounds
<b>Nickel</b>	15	Million pounds
<b>Precious Metals (excluding silver)</b>	106	Thousand ounces

# Overwhelming Community Support



## State & Federal Regulatory Agencies

- Final EIS demonstrates project can meet regulatory standards

## Local Communities

- Support the project

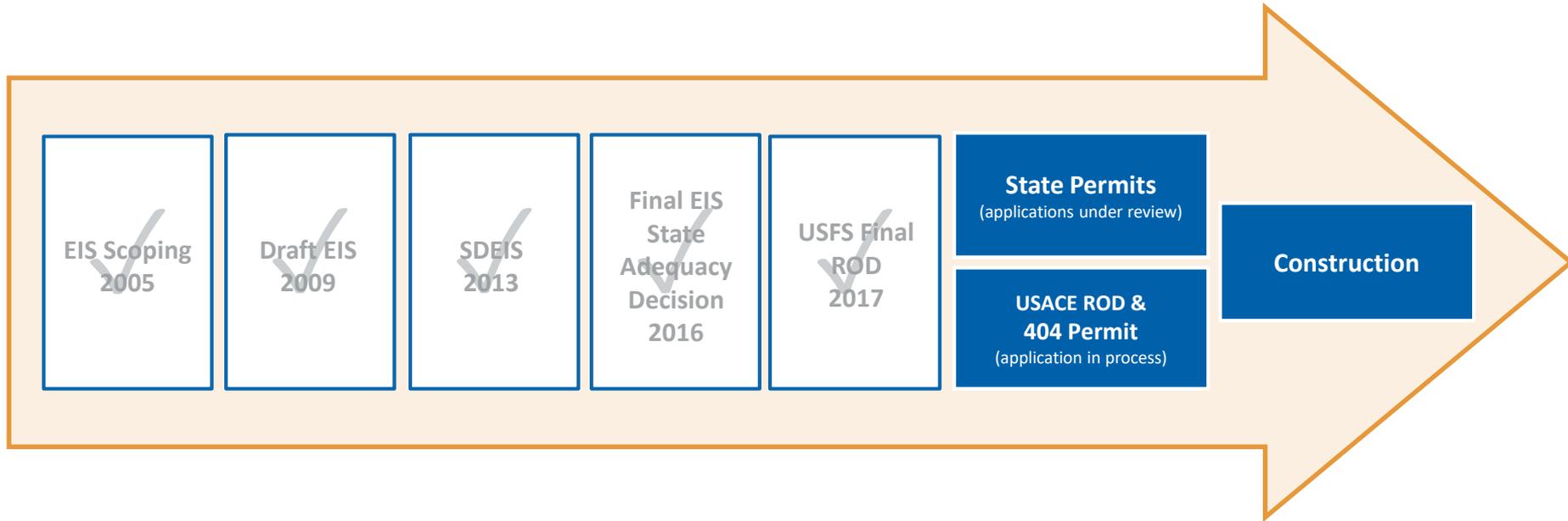
## MN Governor

- Committed to following the process

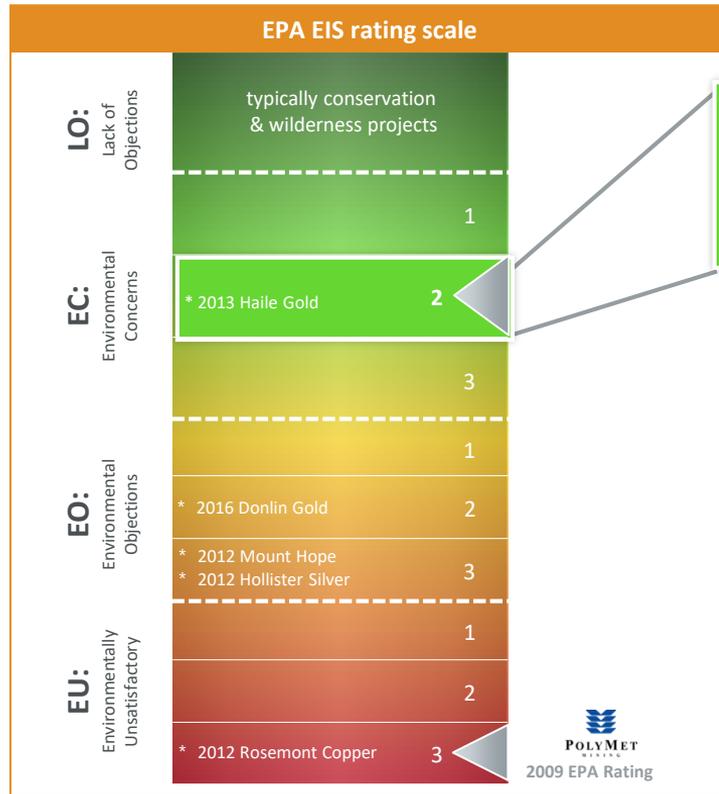
# Recent Milestones

- **November 6, 2015** – Final EIS published
- **March 3, 2016** – Final EIS Adequacy Decision issued by State of Minnesota
- **July 11, 2016** – PolyMet submitted applications for water-related permits
- **August 2, 2016** – PolyMet request for Section 401 Water Quality Certification
- **August 24, 2016** – PolyMet submitted the air quality permit application
- **October 28, 2016** – \$30.1 million private placement completed, including \$10.5 million from Glencore
- **November 3, 2016** – PolyMet submitted Permit to Mine application
- **January 9, 2017** – U.S. Forest Service issued Final Record of Decision authorizing land exchange
- **August 11, 2017** – State releases six draft water appropriation permits
- **September 15, 2017** – State releases two draft dam safety permits and draft public waters work permit
- **November 28, 2017** – U.S House of Representatives passed legislation to move forward with the land exchange

# Path To Permits



# EPA Rating



\* PolyMet's NorthMet Project  
 \* MN Light Rail Project  
 \* MN St. Croix River Bridge

**EC-2**



## EPA Comments

### On Draft Final EIS:

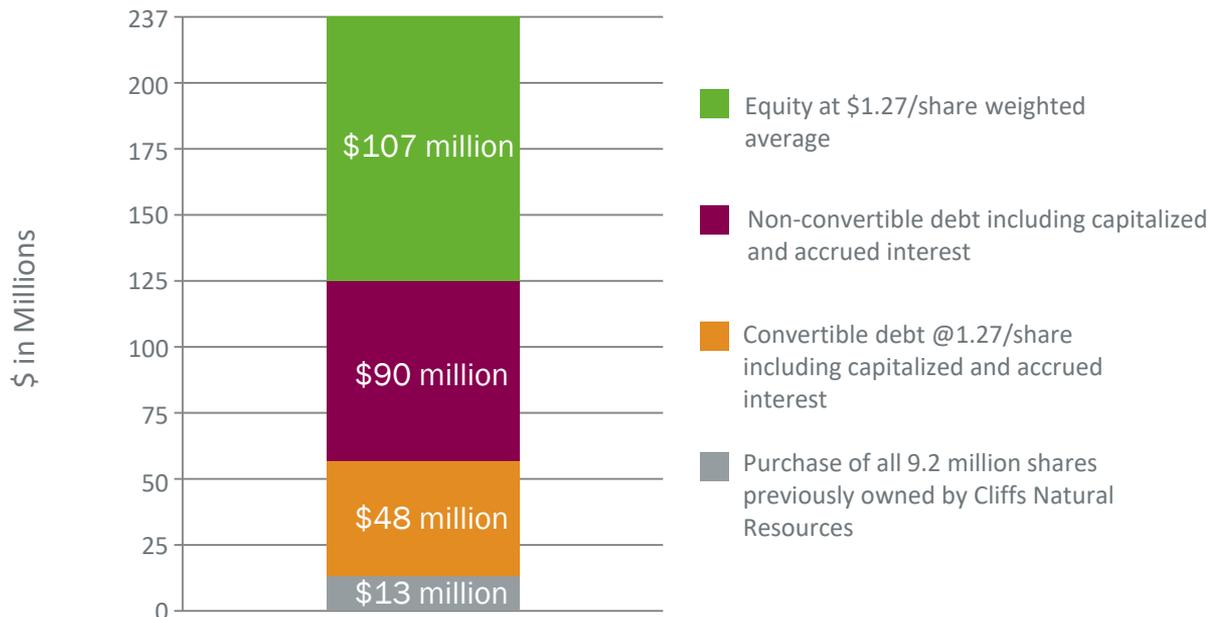
*"Our extensive discussions with the co-lead and cooperating agencies have helped to resolve virtually all of our previous comments, and to review important questions about project modeling."* August 5, 2015

### On Final EIS:

*"The FEIS adequately resolves EPA's comments on the Preliminary FEIS pertaining to base flow and cumulative impacts, model calibration, and contradictory information."* December 21, 2015

# Strategic Alliance With Glencore

## Investment (as of October 31, 2017)



## Glencore Support

- Financial support \$258 million
- Concentrate offtake agreement
- Technical support

# Shareholder Data

<b>Balance Sheet &amp; Share Information</b> (U.S. Dollars, October 31, 2017)	
Cash	<b>\$11 million</b>
Convertible debt	<b>\$48 million</b>
Non-convertible debt	<b>\$90 million</b>
Common shares outstanding	<b>319.3 million</b>
<b>Fully diluted shares:</b> <ul style="list-style-type: none"> <li>▪ <b>Float:</b> 60%</li> <li>▪ <b>Glencore:</b> 35% (29% issued)</li> <li>▪ <b>Management:</b> 5%</li> </ul>	<b>409.8 million</b>
<b>Share price (as of October 31, 2017)</b> <i>NYSE AMERICAN: PLM – 52 week High-Low</i> <i>3-Month average volume</i>  <i>TSX: POM – 52 week High-Low</i> <i>3-Month average volume</i>  <i>Market capitalization</i>	 \$.97 - 0.57 241,266  C\$1.27 - 0.71 27,758  \$200 million

# Goals & Objectives

- **Complete Permitting**
  - U.S. Army Corps. of Engineers Final Record of Decision and 404 Wetland Permit
  - State permits – Permit to Mine, air and water permits and ancillary permits
- **DFS Update – aligned with permits**
- **Construction Finance**
- **Delineation of Project Potential**