



POLYMET MINING CORP.

RIGHTS OFFERING NOTICE

Notice to security holders – February 27, 2023

The purpose of this notice is to advise holders of common shares (the “**PolyMet Shares**” or “**Common Shares**”) of PolyMet Mining Corp. (“**PolyMet**”) of a proposed offering of rights (“**Rights**”) of PolyMet (the “**Rights Offering**”).

References in this notice to **we**, **our**, **us** and similar terms mean to PolyMet. References in this notice to **you**, **your** and similar terms mean to PolyMet shareholders.

We currently have sufficient working capital to last one (1) month. We require 71% of the Rights Offering to last 12 months.

Glencore AG (“Glencore”), which owns approximately 71% of the outstanding PolyMet Shares, will subscribe for and purchase at the Subscription Price (as defined herein) all PolyMet Shares to which it is entitled under the Rights Offering. Under its Basic Subscription Privilege, Glencore will subscribe for 71% of all PolyMet Shares available under the Rights Offering for 71% of the gross proceeds of US\$195,400,000. In addition, pursuant to that certain standby purchase agreement dated February 27, 2023 by and between PolyMet and Glencore (the “Standby Purchase Agreement”), Glencore will purchase at the Subscription Price, any PolyMet Shares (that would otherwise be issuable upon exercise of Rights offered under the Rights Offering) that are not otherwise subscribed for by holders of Rights pursuant to their Basic Subscription Privilege and Additional Subscription Privilege. Glencore may terminate the Standby Purchase Agreement prior to the Expiry Time in certain circumstances.

Proceeds from the Rights Offering will be used for: (a) the funding of PolyMet’s portion of the transaction with Teck Resources Limited and its subsidiary Teck American Incorporated to form a 50:50 joint venture relating to the companies’ respective NorthMet and Mesaba resources; (b) the repayment of all of its secured and convertible debt owed to Glencore; (c) the repayment of all of its unsecured debt owed to Glencore; (d) the payment of the Standby Fee (as defined in the Standby Purchase Agreement) in full; (e) the payment of the expenses of the Rights Offering; and general working capital.

1. Who can participate in the Rights Offering?

Each eligible shareholder of record as at 5:00 p.m. (Toronto time) on March 10, 2023 (the “**Record Date**”) may participate in the Rights Offering. However, as discussed below, the Rights will only be offered to shareholders of PolyMet (the “**Eligible Holders**”) in each province of Canada and the United States (the “**Eligible Jurisdictions**”).

2. Who is eligible to receive Rights?

The Rights will be offered to the Eligible Holders in the Eligible Jurisdictions. You will be presumed to be resident in the place shown in our records as your registered address, unless the contrary is shown to our satisfaction.

This notice is not to be construed as an offering of the Rights, nor are the Common Shares issuable or exchangeable upon exercise of the Rights offered for sale, in any jurisdiction outside the Eligible Jurisdictions or to shareholders who are residents of any jurisdiction other than the Eligible Jurisdictions (the “**Ineligible Holders**”). The Rights and Common Shares have not and will not be registered under the laws of any jurisdiction outside the Eligible Jurisdictions.

Ineligible Holders will not receive a DRS Advice (as defined below), but will be sent a letter from PolyMet describing how Ineligible Holders may participate in the Rights Offering.

3. How many Rights are we offering?

We are offering a total of 92,606,635 Rights to purchase 92,606,635 Common Shares pursuant to the Rights Offering.

4. How many Rights will you receive?

Each Eligible Holder will receive one (1) Right for every one (1) Common Share of PolyMet held. Each Right will be exercisable into 0.91068844 Common Shares. No fractional Rights will be issued. No fractional Common Shares will be issued. Where the exercise of Rights would appear to entitle a holder of Rights to receive fractional Common Shares, the holder's entitlement will be reduced to the next lowest whole number of Common Shares. PolyMet will not be required to issue fractional Common Shares or pay cash in lieu thereof.

5. What does one Right entitle you to receive?

Before the Expiry Time (as defined below), you will be entitled to purchase 0.91068844 Common Shares for every one Right held at a subscription price of US\$2.11 (the "**Subscription Price**") per Common Share (the "**Basic Subscription Privilege**") until 5:00 p.m. (Toronto time) on April 4, 2023 (the "**Expiry Time**").

Any Eligible Holder who exercises all of their Rights under the Basic Subscription Privilege will also have the additional privilege of subscribing, pro rata, for additional Common Shares at the Subscription Price (the "**Additional Subscription Privilege**"). The Common Shares available under the Additional Subscription Privilege will be the Common Shares issuable under the Rights Offering that have not been subscribed and paid for under the Basic Subscription Privilege by April 4, 2023.

Any Eligible Holder who exercises their Rights must enclose payment in U.S. funds by certified cheque, bank draft, bank transfer or money order payable to the order of Computershare Investor Services Inc. (the "**Subscription Agent**"), the subscription agent retained by PolyMet in connection with the Rights Offering. Any excess funds will be returned without interest or deduction.

6. How will you receive your Rights?

If you are a registered holder of Common Shares, a Direct Registration System ("**DRS**") advice (the "**DRS Advice**") representing the total number of Rights which you are entitled to as at the Record Date is enclosed with this notice.

If you are an Ineligible Holder, you will find enclosed an exempt purchaser status certificate. If you deliver a completed and executed exempt purchaser status certificate to PolyMet on or before March 27, 2023 and your eligibility to participate in the Rights Offering is confirmed by PolyMet, the Subscription Agent will forward to you a DRS Advice evidencing the number of Rights you are entitled to. If you do not satisfy PolyMet as to your eligibility to participate in the Rights Offering on or before March 27, 2023, the Subscription Agent will attempt, on a best efforts basis, to sell your rights on the Toronto Stock Exchange ("**TSX**") or the NYSE American ("**NYSE American**") prior to the Expiry Time. The Subscription Agent's ability to sell the Rights, and the prices obtained for the Rights, are dependent on market conditions. The proceeds received by the Subscription Agent, if any, from the sale of the Rights, net of any applicable costs, expenses and taxes, will be divided among the Ineligible Holders on a pro rata basis according to the total number of Common Shares held by them on the Record Date.

7. When and how can you exercise your Rights?

If you are a registered Eligible Holder who receives a DRS Advice, you must complete and deliver the rights subscription form accompanying your DRS Advice on or before 5:00 pm (Toronto Time) on April 4, 2023. **Rights not exercised at or before the Expiry Time will be void and of no value.** The Rights will be listed on the TSX under the symbol "POM:RT" and on the NYSE American under the symbol "PLM:RT". The holders of the Rights may trade them through the facilities of the TSX and the NYSE American. Trading in the rights on the TSX will cease at 12:00 p.m. (Toronto time) on April 4, 2023 and will be suspended on the NYSE American prior to the markets opening on April 4, 2023.

Only registered Eligible Holders will be provided with a DRS Advice. If you hold your Common Shares through a securities broker or dealer, bank or trust company or other participant (each, a "**Participant**") in the book-based system administered by CDS Clearing and Depository Services Inc. ("**CDS**") or Depository Trust Company ("**DTC**"), Rights will be issued in registered form to CDS or DTC, as the case may be, and will be deposited with CDS or DTC, as the case may be. PolyMet expects that each beneficial Eligible Holder will receive a confirmation of the number of Rights issued to it from its Participant in accordance with the practices and procedures of that Participant. CDS and

DTC will be responsible for establishing and maintaining book-entry accounts for Participants holding Rights. Participants may establish their own deadlines for receiving instructions prior to the Expiry Time and you should therefore immediately contact your Participant to instruct them to exercise or sell or transfer your Rights.

If you are a beneficial Eligible Holder, you must arrange exercises, transfers or purchases of Rights through your Participant sufficiently in advance of the Expiry Time to allow the Participant to properly exercise the Additional Subscription Privilege on your behalf. Please contact your Participant for further details and instructions. We expect that each beneficial Eligible Holder will receive a customer confirmation of issuance or purchase, as applicable, from their Participant through which the Rights are issued in accordance with the practices and policies of such Participant.

Subscriptions for Common Shares made in connection with the Rights Offering will be irrevocable and subscribers will be unable to withdraw their subscriptions for Common Shares once submitted.

8. What are the next steps?

This notice contains key information that you should know about PolyMet. You can find more details in our Rights Offering Circular, a copy of which can be obtained on PolyMet's profile at [SEDAR.com](https://www.sedar.com) or at [polymetmining.com](https://www.polymetmining.com). You can also ask your dealer representative for a copy or contact Tony Gikas at 612-817-6946 or tgikas@polymetmining.com. You should read the Rights Offering Circular, along with our continuous disclosure record, to make an informed decision. Holders in the United States should also review the PolyMet's Registration Statement on Form F-10 filed with the United States Securities and Exchange Commission that can be found at www.sec.gov.

DATED FEBRUARY 27, 2023.

“Jonathan Cherry”

Jonathan Cherry

Chairman, President & Chief Executive Officer
PolyMet Mining Corp.