



Copper, Nickel & Precious Metals in the U.S.

Jon Cherry – President & CEO

Douglas Newby – CFO

October 2012

(NYSE MKT: PLM); (TSX: POM)

Cautionary Statement



This presentation contains certain forward-looking statements concerning anticipated developments in 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.

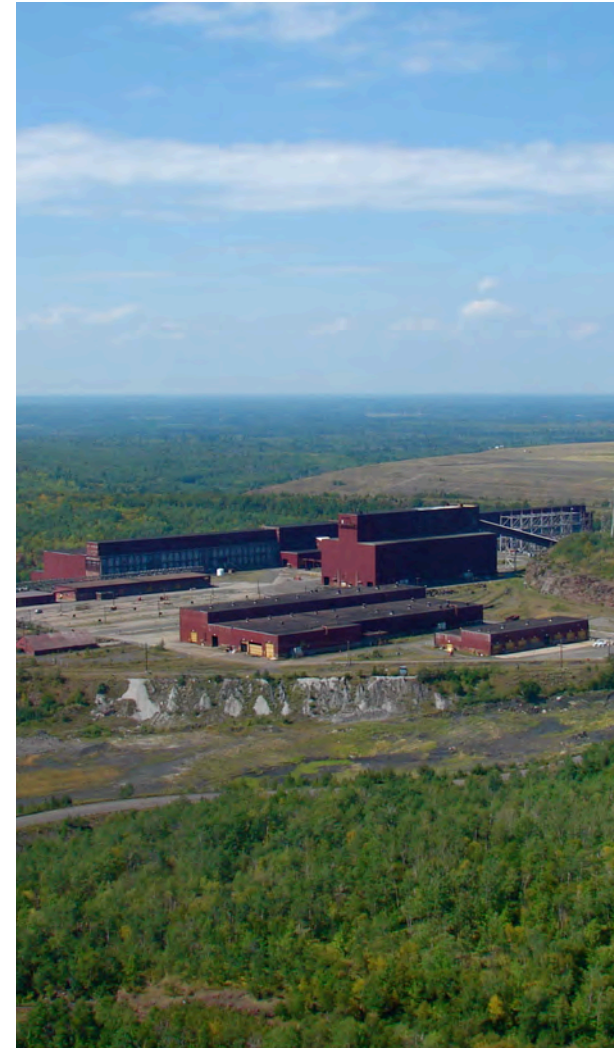
Specific reference is made to PolyMet's most recent Annual Report on Form 20-F for the fiscal year ended January 31, 2012 and in our other filings with Canadian securities authorities and the U.S. Securities and Exchange Commission, including our Report on Form 6-K providing information with respect to our operations for the three months ended July 31, 2012 for a discussion of some of the risk factors and other considerations underlying forward-looking statements.

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

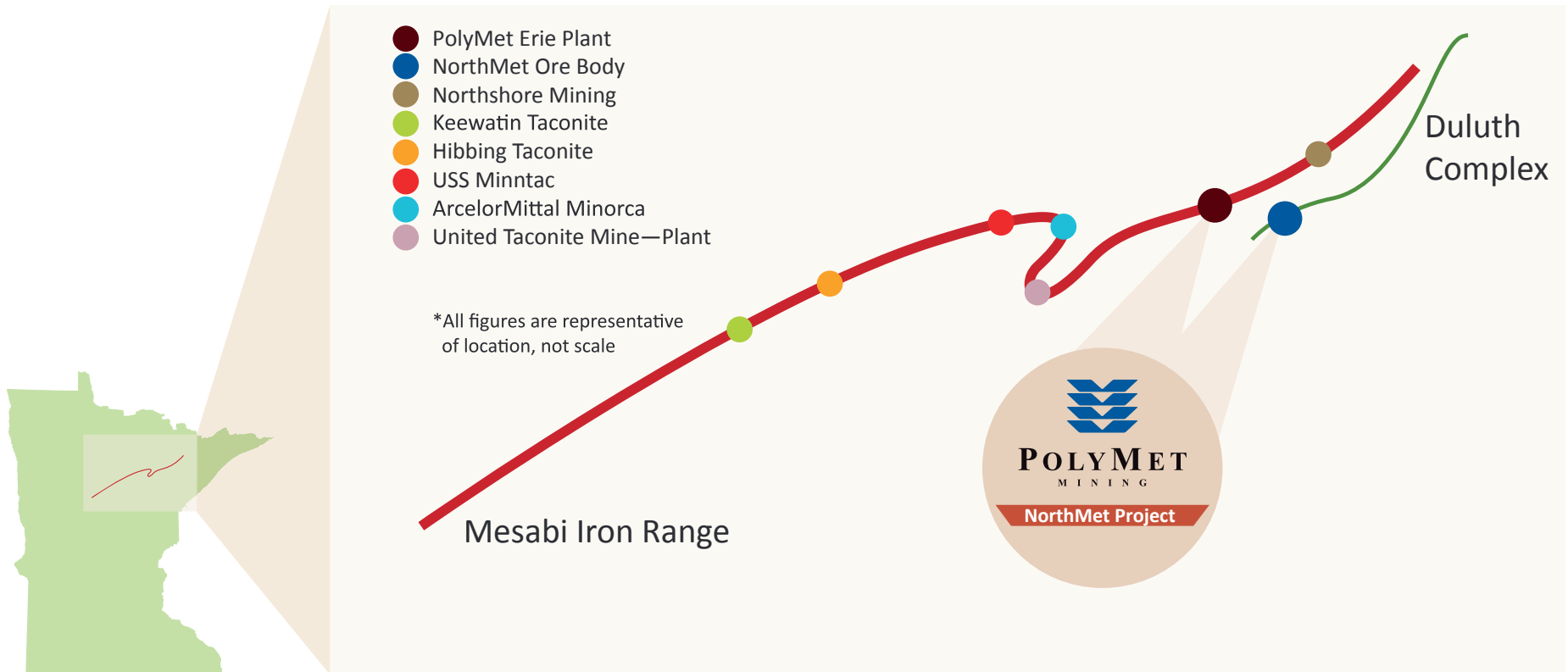
PolyMet Overview



- **100% of NorthMet Ore Body**
 - Copper-nickel-precious metals
 - located in the Mesabi Iron Range mining corridor
 - over 100 years of mining history
- **100% of existing Erie Plant**
 - Adjacent to NorthMet ore body
 - 100,000 t/d processing capacity + infrastructure
 - Low initial capital costs & staged development
- **Advanced stage of environmental review**
 - Permitting 20 year project processing 32,000 t/d of ore
 - Completed groundwater monitoring agreed with EPA
 - Environmental modeling – regulatory compliance
- **Strong community and political support**
- **Strategic alliance with Glencore AG**
 - The world's largest commodities trading company
 - Financing and marketing of all products



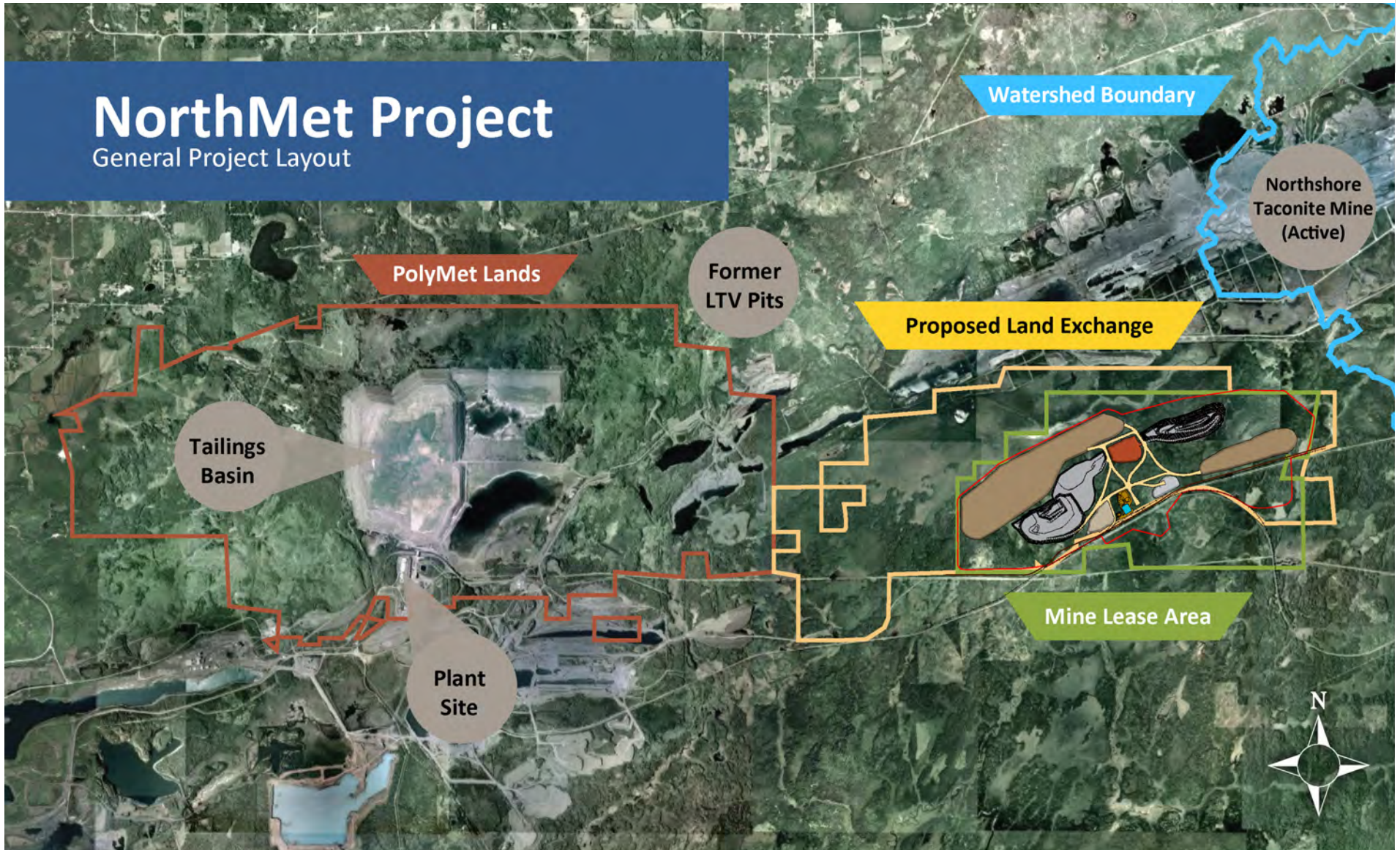
NorthMet Project Location



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

NorthMet Project

General Project Layout

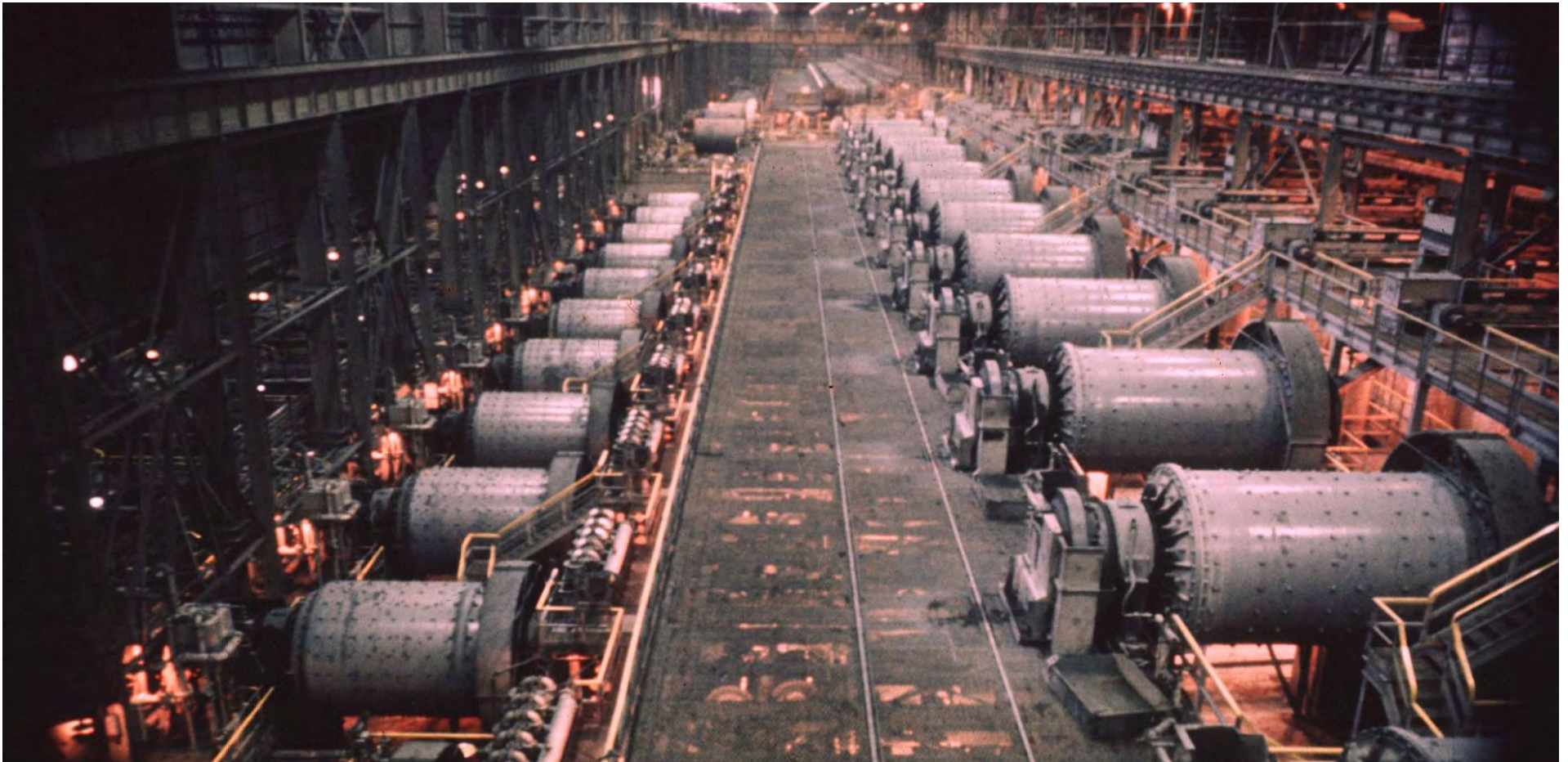


Existing Infrastructure In Place



- Tailings basin
- Crushing and Grinding Mills
- Electrical System
- Road and Railroad
- Water System
- Warehouses and workshops

Mill Capacity

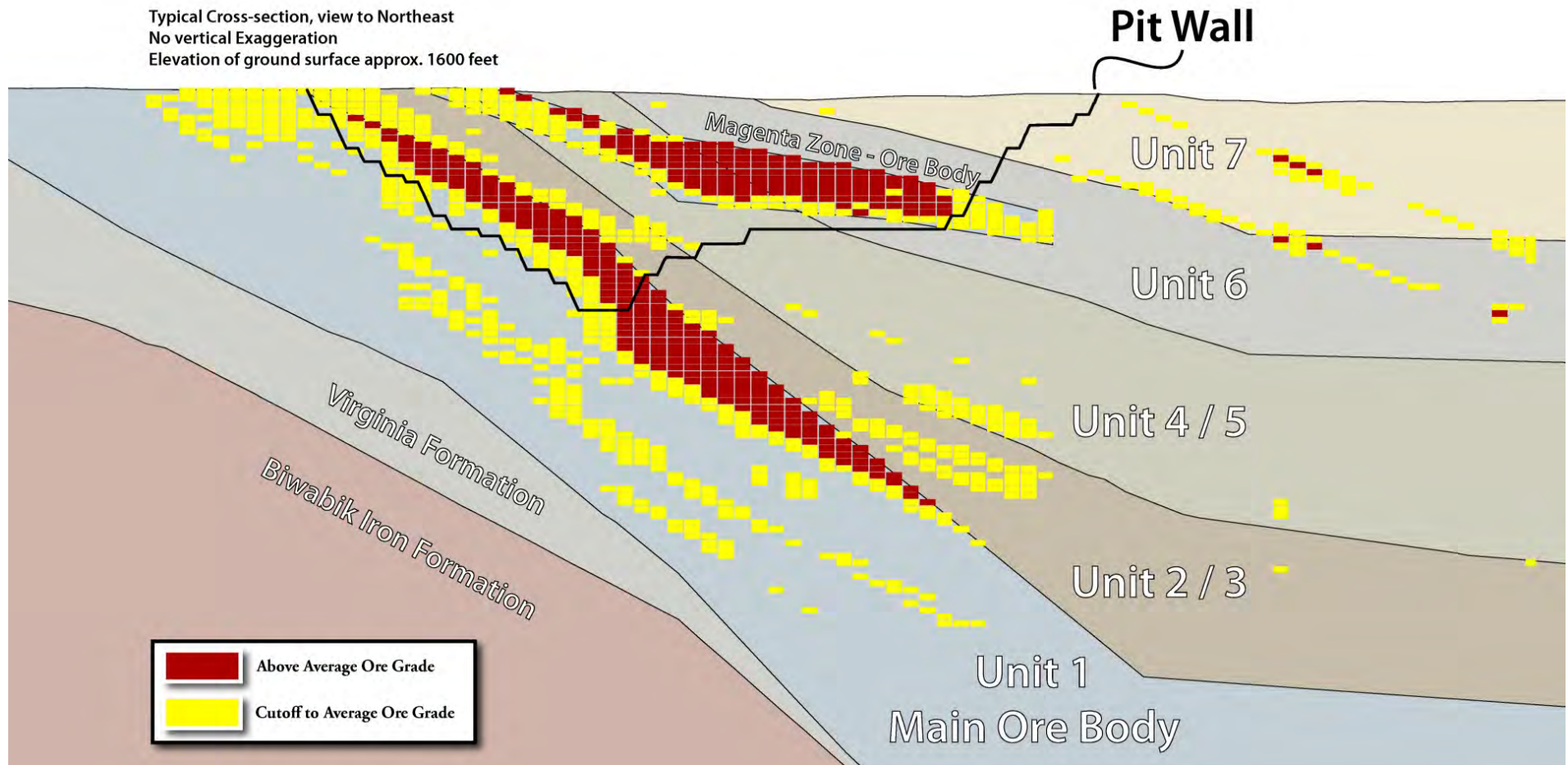


- **34 parallel rod/ball mill circuits – mine plan uses only 12**
- **Each circuit ~ 3,000 ton-per-day capacity**

NorthMet Ore Body



Typical Cross-section, view to Northeast
No vertical Exaggeration
Elevation of ground surface approx. 1600 feet



Disseminated, polymetallic deposit; low strip ratio, minimal over-burden

Resources & Project Economics



Mineral Resources

Measured and Indicated Resources

- 694 million tons @ 0.62% copper equivalent
- 8.7 billion pounds copper equivalent

Production Rate – first 5 years

- 32,000 tons of ore per day
- 72 million lbs of copper a year
- 15 million lbs of nickel a year
- 106,000 oz of combined precious metals a year

Low Costs (2008 DFS Update)

- \$312 million initial capital costs
- Copper cash cost \$1.05/lbs (on co-product basis)

Robust Economics (2008 DFS Update)

- After tax IRR: 30.6% (2008 DFS Update)
- Annual EBITDA: \$217 million

LME Metal Prices - US\$

Average - 3 months to 8.31.2012

2008 DFS Update

Copper	3.40 /lb	7,496/t	2.90 /lb
Nickel	7.30 /lb	16,094/t	12.20 /lb
Cobalt	12.80 /lb	28,219/t	23.50 /lb
Palladium	597 /oz		320 /oz
Platinum	1,441 /oz		1,230 /oz
Gold	1,606 /oz		635 /oz



The Telegraph, Photo: ALAMY, 2012 <http://www.telegraph.com>

Future Potential



Metallurgical plant will expand margins

Existing Erie Plant has the capacity to operate at about three times planned production rate, supported by

- reserve expansion at NorthMet
- exploration success
- other known deposits in the area

Expansion beyond the proposed project would require additional environmental review and permitting

Estimated Economic Benefit



Construction

- \$475 million investment
 - \$312 million Phase I
 - \$163 million Phase II Hydromet
- 2 million construction hours

Employment

- 360 high-quality, stable mining jobs
- 600+ indirect jobs in St. Louis County *

** NorthMet Economic Impact 2011 Update
UMD Labovitz School of Business and Economics*



Mining equipment - not PolyMet's operation (www.azcompleteglass.com)

Estimated Economic Benefits (cont.)



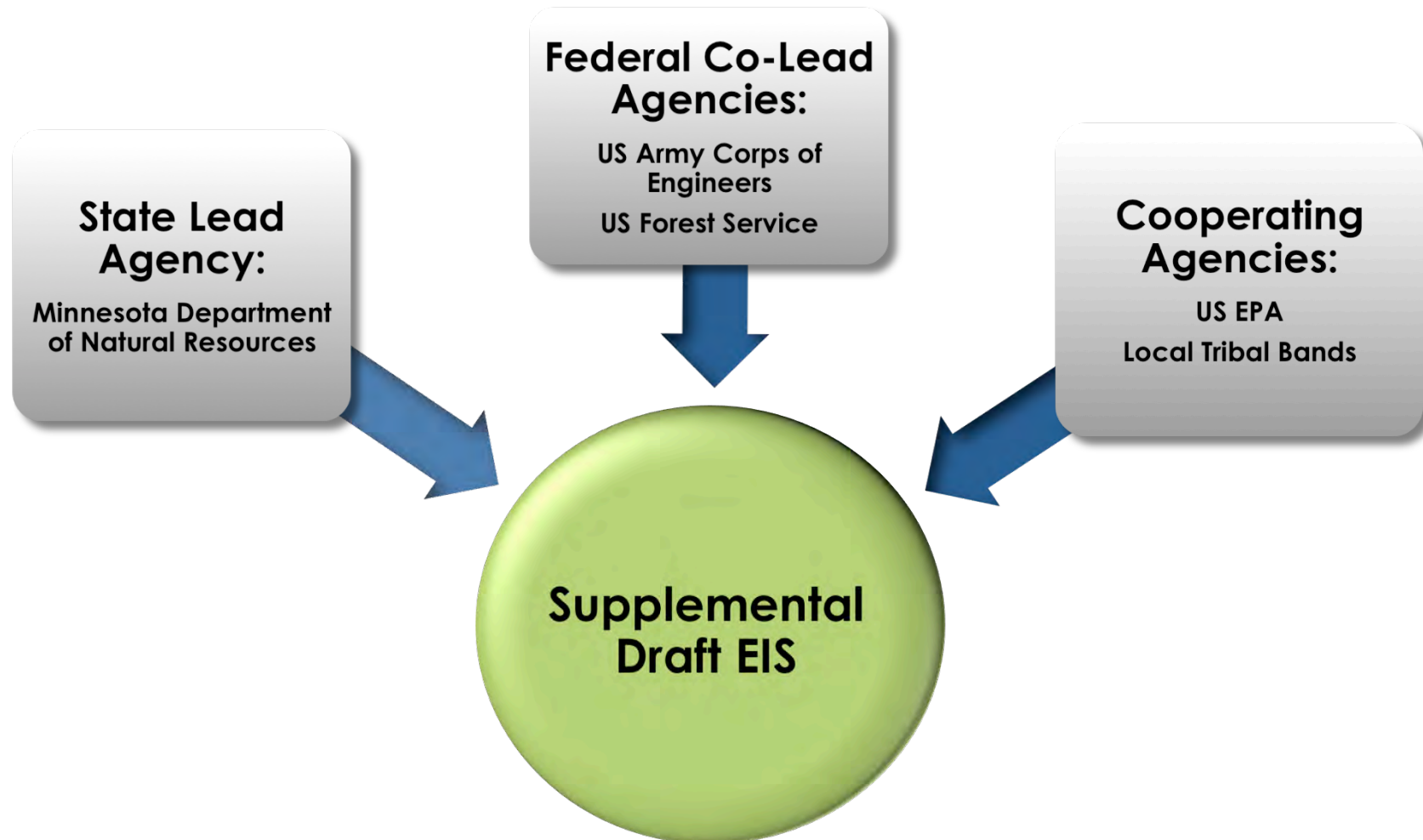
Additional Economic Impact

	Annually	Life of Mine (20yrs)
• St. Louis County	\$515M	\$10.3B
• State and local revenues	\$15M	\$300M
• Federal revenue	\$45M	\$900M

** NorthMet Economic Impact 2011 Update
UMD Labovitz School of Business and Economics*

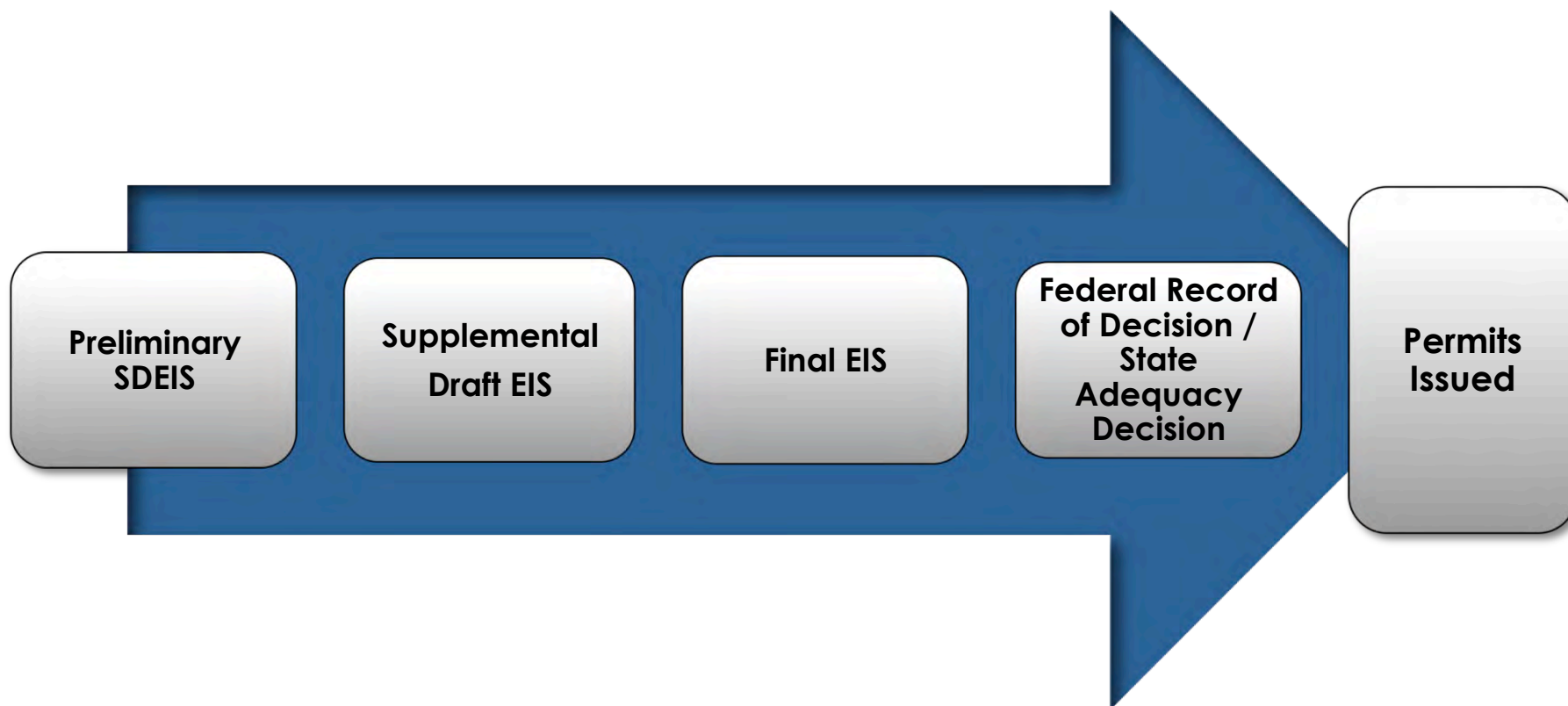


Permitting Process



\$46 million invested through July 31, 2012 on Environmental Review and Permitting

Path Forward



Strong Bipartisan Support



State

- Governor Dayton (D)
- State representatives from the Iron Range (D&R)
- State Republican caucus (R)

Federal

- Senators Klobuchar and Franken (D)
- Representative Cravaack (R)

Local

- Mayors of local cities, including Hoyt Lakes, Aurora, Ely

Glencore Strategic Relationship



Strategic relationship signed in October 2008

Marketing:

- Glencore will market/purchase 100% of production
- Market related terms – pass through of LME/COMEX prices
- Covers metals, concentrates and intermediate products

Financing:

- \$29 million (including capitalized interest) loan exchangeable into stock at \$1.50 per share
- \$75 million equity at \$1.99 per share (weighted Average)
- 5.6 million warrants exercisable at \$1.50

Total Investment:

- \$117 million, including purchase of all 9.2 million shares previously owned by Cliffs Natural Resources and capitalized interest
- 26% ownership of PolyMet's stock, 35% including debt conversion/warrant exercise

Senior Management



Jon Cherry

President, CEO, Director

Leader in mining environmental policy and new mining projects, 20 years with Rio Tinto in the U.S., 23 years experience in the industry

Douglas Newby

Chief Financial Officer

Mine finance expert, former Chairman/CEO of Western Goldfields (now New Gold) ~30 years experience

Joe Scipioni

Chief Operating Officer

Engineer, 30 years with US Steel, community leader in northern Minnesota

Brad Moore

Executive VP – Environmental and Government Affairs

Permitting and regulatory expert, former senior Minnesota government official

Andy Clark

VP – Project Development

Engineer +35 years experience in mine and project construction. Formerly with Bateman Engineers

LaTisha Gietzen

VP – Public, Government and Environmental Affairs

Engineer, formerly with US Steel and Cliffs NR, specialized in environmental/permitting in Minnesota

Ryan Vogt

Corporate Controller

CPA, formerly with Big 4 firm and controller of privately-held service company

Key Statistics



Stock Snapshot

NYSE-A: PLM / TSX: POM

Recent Share Price (NYSE-MKT)

\$1.13

12-month range

\$1.52 – 0.67

Trading volume (NYSE-MKT)

187,000 (200-day average)

Market capitalization

\$206 million

Capital Structure

Shares outstanding

182.7 million

of which, owned by Glencore

47.0 million (26%)

(includes 5 million shares at \$2.00 per share on 10.15.2012)

Glencore Warrants

5.6 million @ \$1.50 expire 12/2015

Other Warrants

1.5 million @ \$1.77 expire 12/2015 or later

Options

14.5 million @ US\$1.95

Stock Price Chart



Summary



- Pre-production US mining project differentiated by existing infrastructure in an existing mining district
- Late stage of environmental review/permitting
- Low risk construction and start-up
- Margin expansion through move to value added products combined with potential to expand production

Investor Contacts



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