

PolyMet Mining Corp. (“PolyMet” or the “Company”.) TSX: POM; NYSE MKT: PLM – today reported that it has filed its financial results for the year ended January 31, 2017. PolyMet controls 100 percent of the development-stage NorthMet copper-nickel-precious metals ore-body and the nearby Erie Plant, located near Hoyt Lakes in the established mining district of the Mesabi Iron Range in northeastern Minnesota.

The financial statements have been filed at www.polymetmining.com and on SEDAR and EDGAR and have been prepared in accordance with International Financial Reporting Standards. All amounts are in U.S. funds. Copies can be obtained free of charge by contacting the Corporate Secretary at First Canadian Place, 100 King Street West, Suite 5700, Toronto, Ontario M5X 1C7 or by e-mail at info@polymetmining.com.

“PolyMet has made significant progress during the past year including the state’s adequacy decision for the NorthMet Final Environmental Impact Statement, submission of formal permit applications that are being reviewed by the state, and issuance of the United States Forest Service’s Final Record of Decision on the land exchange. We also completed a private placement with institutional investors, and we appreciate that Glencore demonstrated its continued support by exercising its right to maintain its pro rata ownership,” said Jon Cherry, president and CEO. “From our perspective, the permit application review process is proceeding well.”

More detail on the status of permit review can be found at: <http://polymet.mn.gov/news.html>.

HIGHLIGHTS OF FISCAL 2017 AND FISCAL 2018 TO-DATE

- On March 3, 2016, the state determined that the Final EIS addresses the objectives defined in the EIS scoping review, meets procedural requirements and responds appropriately to public comments. The 30-day period allowed by law to challenge the state’s decision passed without any legal challenge being filed. The Final EIS demonstrates that the NorthMet Project can be constructed and operated in compliance with environmental and human health standards.
- On June 2, 2016, the Company agreed to issue up to an additional \$14.0 million secured non-convertible debentures to Glencore AG, a wholly owned subsidiary of [Glencore plc](#) (together “Glencore”), to fund permitting and general corporate purposes. The debentures are on similar terms as the existing non-convertible senior secured debentures.
- On July 1, 2016, the Company repaid the \$4.0 million initial principal loan from the Iron Range Resources and Rehabilitation Board.
- On July 11, 2016, the Company submitted applications for water-related permits required to construct and operate NorthMet.
- On July 12, 2016, the Eastern Region Regional Office of the USFS issued its response to comments on the Draft ROD for the land exchange and instructed the Superior National Forest to proceed with completing the Final ROD.
- On August 2, 2016, the Company renewed its request for Water Quality Certification under Section 401 of the Clean Water Act.
- On August 24, 2016, the Company submitted the air quality permit application required to construct and operate NorthMet.
- On September 14, 2016, the Company and Glencore agreed to extend the maturity date of outstanding secured convertible debentures and outstanding secured non-convertible debentures to the earlier of March 31, 2018, availability of \$100 million of debt or equity financing, or when it is prudent for the Company to repay the debt.
- On October 18, 2016, the Company closed the initial tranche of a private placement for gross proceeds of \$19.472 million.
- On October 28, 2016, the Company closed the second tranche of a private placement for gross proceeds of \$10.583 million pursuant to Glencore’s right to maintain its pro rata ownership.
- On November 3, 2016, the Company submitted the Permit to Mine application required to construct and operate NorthMet.
- On December 15, 2016, the Company received the American Exploration and Mining Association’s Environmental Excellence Award for its responsible development of the NorthMet Project.
- On December 20, 2016, the Memorandum of Agreement of the Section 106 Consultation under the National Historic Preservation Act was signed by the statutory parties.
- On January 9, 2017, the USFS issued its Final ROD authorizing the land exchange.
- Loss for the twelve months ended January 31, 2017, was \$9.229 million compared with \$9.346 million for the prior year period. Excluding non-cash compensation and amortization, general and administrative expenses for the twelve months ended January 31, 2017, were \$4.786 million compared with \$5.051 million for the prior year period.
- At January 31, 2017, PolyMet had cash of \$18.674 million compared with \$10.256 million at January 31, 2016.
- PolyMet invested \$23.445 million cash into its NorthMet Project during the twelve months ended January 31, 2017, compared with \$27.378 million in the prior year period.
- As of January 31, 2017, PolyMet had spent \$117.872 million on environmental review and permitting, of which \$111.421 million has been spent since the NorthMet Project moved from exploration to development stage.

GOALS AND OBJECTIVES FOR THE NEXT TWELVE MONTHS

The environmental review and permitting process is managed by the regulatory agencies and, therefore, timelines are not within PolyMet’s control. Given these circumstances, PolyMet’s objectives include:

- Completing the approved land exchange with the USFS and transferring of title to the surface rights over and around the NorthMet mineral rights to PolyMet.
- Obtaining a decision by the state on 401 Water Quality Certification and U.S. Army Corps of Engineers Final ROD and 404 wetlands permit under the Clean Water Act.

- Publication of draft state permits (Permit to Mine, air, water, dam safety and water appropriation permits) for public comment.
- Decisions on state permit issuances.
- Completion of definitive cost estimate and project update following permits.
- Completion of project implementation plan.
- Repayment, restructuring, and/or conversion of Glencore loans.
- Completion of construction finance plan including commitment of debt prior to the issuance of permits, subject to typical conditions precedent such as receipt of key permits.

Key Statistics

(in \$000 US dollars, except per share amounts)

Balance Sheet	January 31, 2017	January 31, 2016
Cash & equivalents	\$ 18,674	\$ 10,256
Working capital	16,267	2,162
Total assets	389,049	337,660
Total liabilities	181,720	153,003
Shareholders' equity	\$ 207,329	\$ 184,657

Income Statement	Year ended January 31,	
	2017	2016
General & administrative expense	\$ 6,594	\$ 5,508
Other Expenses:		
Finance & Other	2,635	1,986
Disposal of Intangibles	-	1,852
Loss before tax:	9,229	9,346
Other Comprehensive (Income)	(213)	(199)
Loss per share	0.03	0.03
Investing Activities		
NorthMet Property	\$ 23,445	\$ 27,378
Weighted average shares outstanding	288,998,010	276,812,978

About PolyMet

[PolyMet Mining Corp.](http://www.polymetmining.com) (www.polymetmining.com) is a publicly traded mine development company that owns 100 percent of Poly Met Mining, Inc., a Minnesota corporation that controls 100 percent of the NorthMet copper-nickel-precious metals ore body through a long-term lease and owns 100 percent of the Erie Plant, a large processing facility located approximately six miles from the ore body in the established mining district of the Mesabi Iron Range in northeastern Minnesota. Poly Met Mining, Inc. has completed its Definitive Feasibility Study. The NorthMet Final EIS was published in November 2015, preparing the way for decisions on permit applications. NorthMet is expected to require approximately two million hours of construction labor, create approximately 360 long-term jobs directly, and generate a level of activity that will have a significant multiplier effect in the local economy.

PolyMet Disclosures

This news release 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 the ability to receive environmental and operating permits, job creation, and the effect on the local economy, 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. 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.

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 Information Form 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 the Company's Form 40-F, for a discussion of some of the risk factors and other considerations underlying forward-looking statements. The Annual Information Form contains the Company's mineral resource and other data as required under

National Instrument 43-101.

The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

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