

POLYMET MINING CORP.
2350 – 1177 West Hastings Street
Vancouver, British Columbia
Canada V6E 2K3

INFORMATION CIRCULAR
(As at May 12, 2005 unless otherwise noted)

PERSONS MAKING THE SOLICITATION

This Information Circular is furnished in connection with the solicitation of proxies by the management of PolyMet Mining Corp. (the "Company") for use, and to be voted at, the annual general meeting of members of the Company (the "Meeting") to be held on Friday, June 24, 2005, at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be made primarily by mail, proxies may also be solicited personally by regular employees of the Company. The Company does not reimburse shareholders, nominees or agents for the cost incurred in obtaining from their principals authorization to execute forms of proxy. No solicitation will be made by agents. The cost of solicitation will be borne by the Company.

APPOINTMENT OF PROXYHOLDER

A duly completed form of proxy will constitute the person(s) named in the enclosed form of proxy as the shareholder's proxyholder. The person(s) whose name(s) are printed in the enclosed Instrument of Proxy for the Meeting are officers or directors of the Company (the "Management Proxyholders").

A Registered Shareholder has the right to appoint a person other than a Management Proxyholder to represent the Registered Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing an Instrument of Proxy in a form similar to the enclosed form. A proxyholder need not be a Registered Shareholder.

VOTING BY PROXY

Common shares of the Company (the "Shares") represented by properly executed proxies in the accompanying form will be voted or withheld from voting on each respective matter in accordance with the instructions of the member (the "shareholder") on any ballot that may be called for.

If no choice is specified and one of the Management Proxyholders is appointed by a shareholder as proxyholder, such person will vote in favour of the matters proposed at the Meeting and for all other matters proposed by management at the Meeting.

The enclosed form of proxy also confers discretionary authority upon the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters, which may properly come before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Pacific Corporate Trust Company, 830 - 625 Howe Street, Vancouver, British Columbia, V6C 3B8, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the Chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

NON-REGISTERED MEMBERS

Only Registered Members or duly appointed Proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "Non-Registered" Members because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased their Shares. More particularly, a person is a Non-Registered Member in respect of his or her Shares where such Shares are held either (a) in the name of the Intermediary that the Non-Registered Member deals with (being securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIF's RESP's and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("CDS")) with which the intermediary deals. In accordance with the requirements of National Policy 54-101 (Communication with Beneficial Owners of Securities of Reporting Issuers) published by the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Proxy (collectively, the "Meeting Materials") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Members.

Intermediaries are required to forward the Meeting Materials to Non-Registered Members unless a Non-Registered Member has waived the right to receive them. Generally, Non-Registered Members who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and **deliver it to Pacific Corporate Trust Company** as provided above; or
- (b) more typically, be given a voting instruction form **which is not signed by the Intermediary**, and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "proxy authorization form") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions, which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service

company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares, which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the Management Proxyholders and insert the Non-Registered Holder's name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

REVOCABILITY OF PROXY

Any registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing, including a proxy bearing a later date, executed by the registered shareholder or by his attorney authorized in writing or, if the registered shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the Chairman of the Meeting on the day of the Meeting. **Only registered shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must, at least 7 days before the Meeting, arrange for their respective Intermediaries to revoke the proxy on their behalf.**

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Company is an unlimited number of common shares without nominal or par value and an unlimited number of preferred shares without nominal or par value which may have attached thereto preferred rights in respect of voting, dividends or return of capital and are issuable in series. The directors of the Company shall, by resolution, prior to the issuance of any of the preferred shares affix rights and restrictions in respect thereto. As of the date of this Information Circular, there are 67,019,580 Common Shares issued and outstanding and no preferred shares. Each common share issued and outstanding is entitled to one vote per share.

The Directors have set close of business on May 12, 2005 as the record date to determine eligibility of the holder of Common Shares to vote their Common Shares of the Company at the Meeting. Only shareholders of record as of the record date who personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described herein shall be entitled to vote or to have their shares voted at the meeting.

As of the record date, CDS & Co., to the knowledge of the Directors and Officers of the Company, beneficially owns, directly or indirectly, or exercises control of direction over more than ten (10%) percent of the voting rights attached to the Common Shares.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Since the commencement of the Company's last completed financial year, other than as disclosed elsewhere herein, no informed person of the Company, any proposed director of the Company or any associate or affiliate of any informed person or proposed director has any material interest, direct or indirect, in any transaction or in any proposed transaction which has

materially affected or would materially affect the Company or any of its subsidiaries. The term "informed person" as defined in National Instrument 51-102, *Continuous Disclosure Obligations*, means

- (a) a director or executive officer of a reporting issuer;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of a reporting issuer;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over voting securities of a reporting issuer or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the reporting issuer other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

However, reference is made to the heading "Options to Purchase Securities of the Company".

ELECTION OF DIRECTORS

The Board of Directors presently consists of 5 directors. The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees and the persons named in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the by-laws of the Company, or with the provisions of the *Canada Business Corporations Act*.

Pursuant to section 171 of the *Canada Business Corporations Act*, the Company is required to have an audit committee. As at the date hereof, the members of the audit committee are Ian, Forrest, David Dreisinger, James Swearingen and George Molyviatis.

The following table sets out the names of the nominees for election as directors, the country in which each is ordinarily resident, all offices of the Company now held by them, their principal occupations, the period of time for which each has been a director of the Company, and the number of common shares of the Company or any of its subsidiaries beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

| Name, Position and Country of Residence | Principal Occupation and, if not at present an Elected Director, Occupation during the past 5 years | Director Since | Number of Shares |
|--|---|----------------|------------------------|
| William F. Murray, P.Eng⁽²⁾ Canada | Mining Executive, director and officer of a private engineering and management firm, director of several public resource companies; Director, President and CEO of the Company. | March 17, 2003 | 790,476 ⁽⁴⁾ |
| George Molyviatis⁽¹⁾⁽³⁾, Geneva | Financier, Banker, President of an international lumber company; Director of the Company | March 17, 2003 | 4,156,767 |

| Name, Position and Country of Residence | Principal Occupation and, if not at present an Elected Director, Occupation during the past 5 years | Director Since | Number of Shares |
|--|---|----------------|------------------------|
| Ian Forrest⁽¹⁾⁽³⁾, Geneva | Chartered Accountant, director of several public resource companies Director and Chairman of the Company | Oct. 3, 2003 | 550,000 ⁽⁴⁾ |
| Dr. David Dreisinger⁽¹⁾⁽²⁾ (3) Ph.D., Canada | A professor of the Faculty of Applied Science, Department of Metal and Materials Engineering at University of British Columbia. Director of the Company | Oct. 3, 2003 | Nil |
| James Swearingen⁽¹⁾⁽²⁾, United States | Co-chair of Governor's Committee on Minnesota's Mining Future Director of the Company | Jan. 14, 2005 | Nil |

1. Member of the Audit Committee
2. Member of the Compensation Committee
3. Member of Corporate Governance Committee
4. Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at May 12, 2005, based upon information furnished to the Company by individual Directors. Unless otherwise indicated, such shares are held directly.

The Company does not have an Executive Committee at present.

Other than as disclosed no Proposed director:

- a) is, as at the date of this Information Circular, or has been, within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity,
 - (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
 - (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
 - (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
 - (iv) has within the 10 years before the date of the Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Ian Forrest became a director of AB Airlines plc on June 30, 1999 and thereafter resigned on July 30, 1999. On August 2, 1999 AB Airlines plc was placed in administrative receivership.

STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this Information Circular:

- (a) "Chief Executive Officer" or "CEO" means each individual who served as chief executive officer of the Company or acted in a similar capacity during the most recently completed financial year;
- (b) "Chief Financial Officer" or "CFO" means each individual who served as chief financial officer of the Company or acted in a similar capacity during the most recently completed financial year;
- (c) "long-term incentive plan" or "LTIP" means a plan providing compensation intended to motivate performance over a period greater than one financial year. LTIPs do not include option or SAR plans or plans for compensation through shares or units that are subject to restrictions on resale;
- (d) "measurement period" means the period beginning at the "measurement point" which is established by the market close on the last trading day before the beginning of the Company's fifth preceding financial year, through and including the end of the company's most recently completed financial year. If the class or series of securities has been publicly traded for a shorter period of time, the period covered by the comparison may correspond to that time period;
- (e) "Named Executive Officers" or "NEOs" means the following individuals:
 - (i) each CEO;
 - (ii) each CFO;
 - (iii) each of the Company's three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000; and
 - (iv) any additional individuals for whom disclosure would have been provided under (iii) but for the fact that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year end.
- (f) "normal retirement age" means normal retirement age as defined in a pension plan or, if not defined, the earliest time at which a plan participant may retire without any benefit reduction due to age;
- (g) "options" includes all options, share purchase warrants and rights granted by a company or its subsidiaries as compensation for employment services or office. An extension of an option or replacement grant is a grant of a new option. Also, options include any grants made to an NEO by a third party or a non-subsidiary affiliate of the Company in respect of services to the Company or a subsidiary of the Company.
- (h) "plan" includes, but is not limited to, any arrangement, whether or not set forth in any formal document and whether or not applicable to only one individual, under which cash, securities, options, SARs, phantom stock, warrants, convertible securities, shares or units that are subject to restriction on resale, performance units and performance shares,

- (1) Pursuant to the Bonus Share Incentive Plan 600,000 common shares were accrued at a deemed price of CDN\$0.19 (US\$93,519). The Shares were issued subsequent to the Company's year end on March 15, 2005. See Other Remuneration.
- (2) Effective March 17, 2003, Mr. Donald W. Gentry resigned and William F. Murray was appointed President and CEO.

Long Term Incentive Plan (LTIP) Awards

The Company does not have a LTIP, pursuant to which cash or non-cash compensation intended to serve as an incentive for performance (whereby performance is measured by reference to financial performance or the price of the Company's securities) was paid or distributed to the Named Executive Officer during the most recently completed financial year.

Option/Stock Appreciation Rights ("SAR") Grants During the Most Recently Completed Financial Year

| Name | Securities Under Option/SARs Granted (#) | % of Total Options/SARs Granted to Employees in Financial Year | Exercise or Base Price (\$/Security) | Market Value of Securities Underlying Options/SARs on the Date of Grant (\$/Security) | Expiration Date |
|---------------------|--|--|--------------------------------------|---|-----------------|
| William Murray | 100,000 | 0.03% | CDN \$0.66 | CDN\$0.66 | July 5, 2009 |
| Terese J. Gieselman | 60,000 | 0.02% | CDN \$0.40 | CDN\$0.51 ⁽ⁱ⁾ | March 1, 2009 |

(i) Options were granted at the allowable Discounted Market Price as defined in the TSX-VE Policy 1.1.

Aggregated Options/SAR Exercises in Last Financial Year and Financial Year-End Option/SAR Values

The following table (presented in accordance with the Rules) sets forth details of all exercises of stock options during the most recently completed financial year by each of the Named Executive Officers and the number of unexercised options held by the Named Executive Officers.

| Name | Securities Acquired on Exercise (#) | Aggregate Value Realized (\$) | Unexercised Options/ SARs at Fiscal Year-End (\$) Exercisable/ Unexercisable | Value of Unexercised In-the-Money Options/ SARs at Fiscal Year-End (\$) Exercisable/ Unexercisable |
|---------------------|-------------------------------------|-------------------------------|--|--|
| William F. Murray | Nil | Nil | 1,056,600 | 421,470 |
| Terese J. Gieselman | Nil | Nil | 60,000 | 8,400 |

Defined Benefit or Actuarial Plan Disclosure

There is no pension plan or retirement benefit plan that has been instituted by the Corporation and none are proposed at this time.

Termination of Employment, Change in Responsibilities and Employment Contracts

The Company and its subsidiaries have not compensatory plan, contract or arrangement where a Named Executive Officer is entitled to receive more than \$100,000 to compensate such executive officers in the event of resignation, retirement or other termination, a change of control of the Company or a change in responsibilities following a change of control except pursuant to an agreement dated March 17, 2004 whereby in the event of a take over bid as defined in Section 13 of the *Securities Act* (British Columbia), and where it shall require that the offeror takes up and pays for more than 50% of the issued shares of the Company, Mr. William Murray shall have the right to receive a severance allowance. The severance allowance shall be based on the implied market capitalization of the Company under the take-over-bid, calculated multiplying the price actually paid under the take-over-bid by the number of issued shares of the Company on a fully diluted basis at the time of the take-over-bid ("Severance Allowance", as follows:

- (a) if the implied market capitalization is at least Cdn\$50,000,000 but less than Cdn\$75,000,000, Optimum shall receive a Severance Allowance of Cdn\$200,000;
- (b) if the implied market capitalization is at least Cdn\$75,000,000 but less than Cdn\$100,000,000, Optimum shall receive a Severance Allowance of Cdn\$400,000; and thereafter
- (c) for every increase in the implied market capitalization of Cdn\$25,000,000, the Severance Allowance shall increase by an additional Cdn\$400,000.

Notwithstanding the aforementioned, if the Company terminates the agreement with Mr. Murray for any reason other than cause, under the terms of the agreement, Mr. Murray will be entitled to receive 200% of all compensation to be paid for the remaining balance of the term of the agreement which expires on March 17, 2006.

Compensation Committee

The Compensation Committee, consisting of William Murray, James Swearingen and David Dreisinger, recommends the compensation of the executive officers of the Company. See "Report on Executive Compensation" for further details.

Compensation of Directors

The Company has no arrangements, standard or otherwise, pursuant to which Directors other than the Named Executive Officer (See "Report on Executive Compensation") are compensated by the Company or its subsidiaries for their services in their capacity as Directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, up to and including the date of this information circular with the exception of the following:

| Name of Director | Consulting Fees |
|-------------------|-------------------------|
| P. Terry O'Kane | \$46,799 ⁽¹⁾ |
| George Molyviatis | \$46,799 ⁽¹⁾ |
| W. Ian L. Forrest | \$46,799 ⁽¹⁾ |
| David Dreisinger | \$33,083 ⁽²⁾ |

(1) Pursuant to the Bonus Plan 300,000 common shares were accrued at January 31, 2005 to each Director at a deemed price of CDN\$0.19 (US\$46,799). The Shares were issued subsequent to the Company's year end on March 15, 2005. See Other Remuneration.

(2) Consulting fees paid in connection with the Company's NorthMet Project, \$31,754 to January 31, 2005 and \$1,329 as at May 12, 2005.

The Company has formalized stock option plan for the granting of incentive stock options to the officers, employees and Directors. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the Directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

The following stock options were granted to directors of the Company during the most recently completed financial year:

| Date Granted | Number of Shares under Option | Exercise Price Per Share | Expiry Date |
|--------------|-------------------------------|--------------------------|--------------|
| July 5, 2004 | 750,000 | CDN \$0.66 | July 5, 2009 |

Other Remuneration

On November 5, 2003 the Company adopted a bonus share incentive plan (the "Bonus Plan") for its directors and key employees. The Bonus Plan was initially approved at the Company's Annual General and Special Meeting held on May 28, 2004 and thereafter the Bonus Plan was submitted in a revised form in response to comments received by the Company from the TSX-VE and approved thereafter by the Company's shareholders at its Extra Ordinary General Meeting held on November 4, 2004.

The issuance of bonus shares is seen to be a true incentive to key members of the management team as opposed to the granting of more conventional stock options. If the milestones are not accomplished, the bonus shares are not granted. The Company is now seeking shareholder approval for Milestones 3 and 4, which are described herein.

The Company determined to limit the aggregate number of shares that may be issued under the Bonus Plan and the Company's incentive stock option plan to not more than 20% of the Company's issued shares from time to time. Accordingly, the Company received approval for the issuance of up to a total of 2,890,000 shares of the Company with respect to Milestones 1 and 2 as per the following:

Milestone 1: Execution of an option agreement with Cleveland Cliffs for the use or purchase of what is referred to as the Cliffs-Erie Facility. This consists of real property located near Hoyt Lakes, Minnesota (the "Erie Site"), on which are located various ore processing facilities formerly operating by LTV Steel Mining Company as part of that company's taconite mining and processing operations (the "Property"). The Property will be used to process mineral products from the Company's NorthMet property, in nearby Babbitt, Minnesota. This Milestone was

negotiated in September 2003 and a final agreement was signed in February 2004. Accordingly, the number of shares issuable were, 1,590,000 shares of which 1,500,000 were designated to the following directors:

| Name of Director | No. of Common Shares |
|-------------------------|-----------------------------|
| William Murray | 600,000 |
| P. Terry O’Kane | 300,000 |
| George Molyviatis | 300,000 |
| W. Ian L. Forrest | 300,000 |

As at January 31, 2005 the Bonus Shares were accrued and subsequently issued on March 15, 2005 (See “Directors Compensation”).

Milestone 2: Negotiation and completion of an off-take agreement with one or more senior metals producers for the purchase of the nickel hydroxide concentrate produced from the NorthMet Property, and/or an equity investment in the Company by such a producer or producers.

Upon achievement of Milestone 2, 3,300,000 shares will be issued, of which 2,900,000 have been designated to the following directors:

| Name of Director | No. of Common Shares |
|-------------------------|-----------------------------|
| William Murray | 300,000 |
| James Swearingen | 150,000 |
| George Molyviatis | 150,000 |
| W. Ian L. Forrest | 150,000 |
| David Dreisinger | 150,000 |

As at the date of this Information Circular the Bonus Shares under Milestone 2 have been allotted but remain outstanding.

The Company will be seeking approval of Milestones 3 and 4 of the Bonus Plan. See Particular Matters to be Acted Upon for further details.

Report on Executive Compensation

As part of its responsibilities, the Compensation Committee reviews the Company's overall compensation plan and the policies pertaining thereto to ensure that they are consistent with the Company's goals of attracting and retaining the best available people, align the employee's interests with those of the Company, and pay for performance. In establishing levels of remuneration and in granting stock options, the executive's performance, level of expertise, responsibilities, length of service to the Company and comparable levels of remuneration paid to executives of other companies of comparable size and development within the industry are taken into consideration.

See “Report on Executive Compensation Table” for more information on remuneration of the Named Executive Officers.

RELATED PARTY TRANSACTIONS

The Company has conducted transactions with officers, directors and persons or companies related to directors, in U.S. funds, as follows:

a) Paid or accrued amounts as follows:

| | 2005 | 2004 | 2003 |
|-------------------------------|-------------------|------------------|-------------------|
| Administration fees and wages | \$ - | \$ - | \$ 103,288 |
| Management fees | 141,270 | 52,388 | - |
| Consulting fees | 336,448 | - | - |
| Legal fees | 59,700 | - | - |
| Office facilities | 23,070 | - | - |
| | \$ 560,488 | \$ 52,388 | \$ 103,288 |

b) Issued 478,000 (2,143,906 – 2004) shares and 1,132,436 (1,881,476 – 2004) warrants to directors and officers on private placements during the year ended 31 January 2005 for cash in the amount of \$128,147 (\$99,925 – 2004).

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth as at the year ended January 31, 2005, the number of securities authorized for issuance under the Company's Stock Plan (the "Plan") which was approved by the shareholders of the Company on May 28, 2004:

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) | Weighted-average exercise price of outstanding options, warrants and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) |
|---|---|---|---|
| Equity compensation plans approved by securityholders | 4,999,552 | CDN\$0.32 | 713,306 |
| Equity compensation plans not approved by securityholders | N/A | N/A | N/A |
| Total | 4,999,552 | CDN\$0.32 | 713,306 |

INDEBTEDNESS TO COMPANY OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

There is no indebtedness of any Director, executive officer, senior officer, proposed nominee for election as a Director or associate of them, to or guaranteed or supported by the Company or any of its subsidiaries either pursuant to an employee stock purchase program of the Company or otherwise, during the most recently completed financial year.

APPOINTMENT OF AUDITOR

Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the appointment of Staley, Okada & Partners, Chartered Accountants, of Vancouver, British Columbia, as the auditor of the Company to hold office for the ensuing year at a remuneration to be fixed by the Directors.

MANAGEMENT CONTRACTS

No management functions of the Company are performed to any substantial degree by a person other than the Directors or senior officers of the Company.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making. As a Tier 1 company listed on the TSX-V, the Company will be required to comply with the guidelines for improved corporate governance in Canada adopted by the TSX (the "Exchange Guidelines"). The Company's approach to corporate governance in the context of 14 specific Exchange Guidelines is set out in the attached Schedule A.

AUDIT COMMITTEE

Audit Committee Charter

The Charter of the Company's audit committee is attached as Appendix 1 of the attached Schedule "A" to this Information Circular.

Composition of the Audit Committee

The following are the members of the Committee:

| | | |
|-------------------|---------------|------------------------|
| Ian Forrest | Independent ① | Financially literate ① |
| George Molyviatis | Independent ① | Financially literate ① |
| David Dreisinger | Independent ① | Financially literate ① |
| James Swearingen | Independent ① | Financially literate ① |

① As defined by Multilateral Instrument 52-110 ("MI 52-110").

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of MI 52-110 (*De Minimis Non-audit Services*), or an exemption from MI 52-110, in whole or in part, granted under Part 8 of Multilateral Instrument 52-110.

Pre-Approval Policies and Procedures

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "External Auditors".

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

| <i>Financial Year Ending</i> | <i>Audit Fees</i> | <i>Audit Related Fees</i> | <i>Tax Fees</i> | <i>All Other Fees</i> |
|------------------------------|-------------------|---------------------------|-----------------|-----------------------|
| 2005 | \$18,200 | \$450 | \$800 | Nil |
| 2004 | \$18,200 | Nil | \$800 | Nil |

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Stock Option Plan

On October 3, 2003 the Company adopted an updated stock option plan approved by its shareholders on May 28, 2004 and accepted by the TSX Venture Exchange (the "Exchange") on June 29, 2004 (the "Amended Plan").

The Amended Plan is a "rolling" stock option plan under which options may be granted equal in number to 10% of the issued and outstanding capital of the Company at the time of grant of the stock option. Under the policies of the Exchange, "rolling" stock option plans are required to be approved by the shareholders at each annual meeting and submitted to the Exchange thereafter for acceptance.

As of May 12, 2005 the Company had 5,743,200 stock options outstanding. Options will be exercisable over periods of up to five years as determined by the Board of Directors of the Company and are required to have an exercise price no less than the Market Price prevailing on the date the option is granted less applicable discount, if any, permitted by the policies of the Exchanges and approved by the Board. Market Price means the last closing price per share on the trading day immediately preceding the day on which the Company announces the grant of the option or, if the grant is not announced, on the Grant Date. Pursuant to the Stock Option Plan, the Board of Directors may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The number of common shares which may be reserved for issuance to the insiders of the Company, within a one year period, may not exceed 10% of the outstanding common shares of the Company; and the number of common shares which may be issued to any one insider of the Company or to such insider's associates, within a one year period, may not exceed 5% of the outstanding common shares of the Company. The Stock Option Plan does not contain any vesting requirements.

A copy of the Stock Option Plan may be obtained upon request from the Company at 2350 – 1177 West Georgia Street, Vancouver, B.C., V6E 2K3.

Management of the Company will ask the Shareholders to approve the following resolution at the Meeting:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION that subject to regulatory approval:

- a) the Company's stock option plan (the “Stock Option Plan”) be and is hereby re-adopted and re-approved:
- b) the Company be authorized to grant stock option pursuant and subject to the terms and conditions of the Stock Option Plan, entitling the option holders to purchase up to that number of Shares that is equal to 10% of the issued and outstanding Shares of the Company as at the time of the grant; and
- c) the directors and officers of the Company be authorized and directed to perform all such acts and deeds and things and execute, under the seal of the Company or otherwise, all such documents, agreements and other writings as may be required to give effect to the true intent of these resolutions.”

Bonus Share Incentive Plan

On November 4, 2004 the Company adopted and the shareholders approved a revised Bonus Plan limiting the aggregate shares that may be issued under the Bonus Plan and the Company's Amended Stock Option plan to not more than 20% of the Company's issued shares from time to time. Under these terms the Bonus Plan was limited to Milestone 1 and 2 for an aggregate number of shares issuable of 2,890,000.

The Company at this time is now seeking approval for the remaining two milestones. These milestones have been established as follows:

Milestone 3: Completion of a bankable feasibility study which indicates that production from the Northmet Property is commercially feasible.

Share Bonus: On achievement of Milestone 3, 1,500,000 shares will be issued to the Directors as a group, as more fully set forth below:

Share Bonus – Milestone 3

| Name of Director | Number of Shares |
|-------------------------|-------------------------|
| William Murray | 500,000 |
| George Molyviatis | 250,000 |
| James Swearingen | 250,000 |
| Ian Forrest | 250,000 |
| Dave Dreisinger | 250,000 |
| TOTAL | 1,500,000 |

and an additional 850,000 shares will be issued to certain Key Employees as more fully set forth below:

| Name of Employee | Number of Shares |
|-------------------------|-------------------------|
| Gaston Reymenants | 400,000 |
| Warren Hudelson | 125,000 |
| Jim Scott | 125,000 |
| Don Hunter | 200,000 |
| TOTAL | 850,000 |

Gaston Reymenants has been retained as a specialist in metal sales to assist with off-take negotiations and project financing.

Warren Hudelson is a director of the Company's U.S. Subsidiary, PolyMet Mining, Inc. and will be involved in the permitting process.

Jim Scott is responsible for the permitting process and involved in the project environmental statement.

Don Hunter is the project manager for the NorthMet Project and responsible for the overall completion of the bankable feasibility study.

Milestone 4: Commencement of Commercial Production of the Northmet Property.

Share Bonus: On completion of Milestone 4, 2,400,000 shares will be issued to the Directors as a group and an additional 2,400,000 shares will be issued to the Key Employees.

Share Bonus – Milestone 4

| Name of Director | Number of Shares |
|-------------------------|-------------------------|
| William Murray | 800,000 |
| George Molyviatis | 400,000 |
| James Swearingen | 400,000 |
| Ian Forrest | 400,000 |
| Dave Dreisinger | 400,000 |
| TOTAL | 2,400,000 |

and an additional 1,240,000 shares will be issued to certain Key Employees as more fully set forth below:

| Name of Employee | Number of Shares |
|-------------------------|-------------------------|
| Gaston Reymenants | 400,000 |
| Warren Hudelson | 240,000 |
| Jim Scott | 200,000 |
| Don Hunter | 400,000 |
| TOTAL | 1,240,000 |

At the Meeting, shareholders will be asked to consider and the directors recommend the shareholders approve a resolution which provides for the issuance of up to a total of 5,990,000 shares of the Company with respect to Milestones 3 and 4.

The text of the resolution, in substantially the form to be presented to the shareholders, subject to changes not affecting the general intent as may be required by the regulatory authorities or by counsel for the Company, is set forth below:

"BE IT RESOLVED that the issuance of up to 5,990,000 Common Shares of the Company to Directors and Key Employees under the Company' Bonus Plan upon the Company achieving Milestones 3 and 4 pertaining to the NorthMet Project, Minnesota, all as more particularly set out in the Company's Information Circular dated May 12, 2005, be hereby approved, ratified and confirmed."

INSIDERS TO WHOM SHARES MAY BE ISSUED UNDER THE BONUS PLAN, AND THEIR RESPECTIVE ASSOCIATES AND AFFILIATES, WILL ABSTAIN FROM VOTING ON THE FOREGOING RESOLUTION. THE APPROVAL OF A MAJORITY OF DISINTERESTED SHAREHOLDERS OF THE COMPANY IS THEREFORE SOUGHT.

Accordingly, a total of **5,497,243** shares held by insiders of the Company and their associates may not be voted in respect of the resolution to approve the Bonus Plan.

Other Matters

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgement on such matter.

FINANCIAL STATEMENTS, DIRECTORS REPORT, MANAGEMENT'S DISCUSSION AND ANALYSIS & ADDITIONAL INFORMATION

The Report of the Directors to Shareholders and the consolidated financial statements of the Company for the year ended January 31, 2005 (the "Financial Statements"), including the accompanying notes and the auditor's report, will be presented to the shareholders at the Meeting. These documents are being mailed to shareholders with this Information Circular.

Additional information relating to the Company may be found on SEDAR at www.sedar.com. A securityholder may contact the Company to request copies of the Company's financial statements and Management's Discussion and Analysis ("MD&A"). Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year.

CERTIFICATE

The undersigned hereby certifies that the foregoing constitutes full, true and plain disclosure of all material facts relating to the particular matters to be acted upon by the Members. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not mistaking in light of the circumstances in which it was made.

DATED: May 12, 2005

Signed:

"William Murray"

William Murray, Chief Executive Officer

Signed:

"Terese J. Gieselman"

Terese J. Gieselman, Chief Financial Officer

Schedule A

**POLYMET MINING CORP.
(the "Company")**

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

MARCH 2004

The Company's corporate governance practices are designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to best serve the interests of the shareholders.

The TSX has adopted certain requirements regarding the disclosure by listed companies of their practices relating to corporate governance. The corporate governance practices of the Company are described below under the headings, which relate to the guidelines set out by the TSX.

1. Stewardship of the Company

The role of the directors is to oversee the conduct of the Company's activities and direct and supervise management in the day-to-day conduct of the business in accordance with the governing rules and regulations and the Company's Charter and Code of Ethics. A copy of the Company's Code of Ethics is available upon request to the Corporate Secretary.

The Board is responsible for the stewardship of the Company, and must take responsibility for, amongst other things, the strategic planning process and approval of strategic plans, risk identification and management, succession planning in respect of, and oversight of, senior management, communication policy, and integrity of internal controls and management information systems. The Board discharges the following five specific responsibilities as part of their overall "stewardship responsibility":

- a) Adopting a strategic planning process: the Board's strategic planning decisions are primarily based on information and recommendations provided by management. Prior approval of the directors of the Company is required for all material transactions in which the Company is involved including, without limitation, the acquisition and disposition by the Company of significant assets and properties, the issue of securities of the Company and the appointment of officers of the Company. At least quarterly, the Board reviews with management the Company's projects, budgets, new opportunities, environmental issues and any other matters, which may affect the Company's strategic plans.
- b) Identifying the principal risks of the Company's business and employing appropriate systems to manage these risks: Through the Audit Committee, the Board is responsible for identifying risks of the Company and ensuring that risk management systems are implemented in accordance with the Audit Committee Mandate (see Guideline #13). At each meeting held to consider quarterly and annual reports, the Audit Committee reviews and discusses areas of concern with the external auditors and reports back to the Board as deemed fit.
- c) Succession planning, including appointing, training and monitoring senior management: the entire Board assumes responsibility for this function, which includes choosing the President and C.E.O., appointing senior management and monitoring their performance. In order to train, develop and retain senior management, the Board encourages professional and personal development activities and courses. Due to the size of the Company (three

officers, two employees), there is no formal job description or succession, planning program in place. When senior management positions become available, replacements are sourced via executive search companies or recommendations from other management personnel or directors.

- d) Communications policy: the Board believes that its communications with shareholders and others interested in the Company are responsive and effective. The Company formally maintains communication with its shareholders and other interested parties through various channels, including annual and quarterly reports, news releases and statutory filings. Management is available to shareholders to respond to questions and concerns on a prompt basis. Information is also widely available at the Company's website located at www.polymetmining.com. Shareholders may contact the Company via the website, by e-mail or by telephone. The President and C.E.O. and Corporate Secretary have primary responsibility for reviewing disclosure documents and ensuring compliance with continuous disclosure requirements with dissemination authorized only by the Chairman or President.
- e) Integrity of the Company's internal information, audit and control systems: on behalf of the Board, the Audit Committee assesses the control systems in place and ensures their effectiveness. Please see Guideline #13 for additional information.

2. Board Independence

The Company's Board is comprised of five directors, of whom three can be defined as "unrelated directors" or "directors who are independent of management and are free from any interests and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the directors' ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholdings" and do not have interests in or relationships with the Company. To the best of the Company's knowledge, the Company does not have a significant shareholder.

3. Individual Unrelated Directors

In determining whether a director is an unrelated director, the directors of the Company consider, among other things, whether the director has a relationship, which could, or could be perceived to, interfere with the director's ability to objectively assess the performance of management of the Company. The determination of the number of "unrelated directors" of the Company is made on the basis of the foregoing considerations and factors relating to the degree to which directors perform management functions of the Company. Mr. Murray is a related director due to his positions of President and C.E.O. The other directors are unrelated as they do not work in the day-to-day operations of the Company.

4. Nominating Committee

The Company does not have a Nominating Committee. The Corporate Governance Committee is responsible for proposing new nominees to the Board and for assessing directors on an ongoing basis. All its members are unrelated directors. New nominees should have a proven track record in business (preferably in the mining industry) and the ability to devote the time required to serve.

5. Assessing the Board's Effectiveness

The Corporate Governance Committee evaluates the effectiveness of the Board, its committees and individual directors. Based on feedback from the directors, the Corporate Governance Committee members assess the operation of the Board and the adequacy of information provided to the Board and recommends changes where necessary.

6. Orientation and Education of Directors

The Company has not adopted a formal orientation and education program for new directors, and all relevant information is communicated to new directors informally. The directors consider that the adoption of formal orientation and education program for new directors is not presently warranted given the size of the Company and the current composition of the Board. Senior management provides regular reports to the directors on the Company's activities. Directors may visit the Company's properties whenever they wish and are encouraged to take professional development courses at the Company's expense. Once appointed, directors are provided with a copy of the Company's Code of Ethics to which they are expected to adhere.

7. Effective Board Size

The Corporate Governance Committee reviews the composition and size of the Board once a year. The Committee considers the current number of five directors to be appropriate given the size of the Company and do not contemplate changing the number of directors of the Company in the foreseeable future.

8. Compensation of Directors

There are no arrangements under which directors are compensated by the Company and its subsidiaries. The Compensation Committee reviews the Company's Stock Option Plan annually and determines the number, if any, to be granted to directors, officers and employees.

9. Committees and Outside Directors

There are three committees, all of which have a majority of members who are outside directors. All directors are members of at least one Board committee. The committees are as follows:

- a) The Compensation Committee is comprised of three directors, one of whom is an outside director. The members are David Dreisinger, James Swearingen and William Murray. This committee is responsible for reviewing and making recommendations to the Board regarding human resources matters, including management compensation policies and programs, succession plans and recruitment. A copy of the Compensation Committee Mandate is available on request from the Company.
- b) The Corporate Governance Committee is comprised of three directors, all three of whom are outside directors. The members are Ian Forrest, George Molyviatis and David Dreisinger. This committee is responsible for monitoring the quality and effectiveness of the governance system and ensuring effective communication and reporting to shareholders. A copy of the Corporate Governance Committee Mandate is available on request from the Company.
- c) The Audit Committee is comprised of three directors, all of whom are outside directors. The members are Ian Forrest, David Dreisinger, James Swearingen and George Molyviatis. Please see Appendix 1 for the Audit Committee Mandate.

10. Approach to Corporate Governance

The Corporate Governance Committee has the responsibility for developing the Company's approach to corporate governance matters, including the review and implementation of the corporate governance practices of the Company, and recommending any changes to the Board of Directors. They do so primarily by monitoring best practices among peer companies to ensure the Company continues to maintain high standards of corporate governance.

11. Position Descriptions

There are no formal job descriptions for directors or for management. The directors of the Company require management of the Company to provide complete and accurate information with respect to management's activities and to provide relevant information concerning the industry in which the Company operates. The Board monitors and assesses management through its regular contact with the management team, most of whom provide reports to the Board or its committees at meetings.

12. Independence of Management

There are no special structures or processes in place to facilitate the functioning of the directors of the Company independently of management. However, the outside directors are given full access to management so that they can develop an independent perspective and express their views and communicate their expectations of management.

13. Audit Committee

The Audit Committee is appointed by the Board and comprised of three members, none of whom are officers or employees. The current members are David Dreisinger, George Molyviatis, James Swearingen and Ian Forrest, who is also the Committee's Chairman and financial expert.

The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information, which will be provided to the shareholders and others, the systems of corporate controls, which, management and the Board have established and the audit process. The mandate of the Audit Committee is attached hereto as Appendix 1.

14. Outside Advisors

The directors of the Company have not implemented any formal system enabling an individual director to engage an outside advisor at the expense of the Company in appropriate circumstances. Upon notice to the President and C.E.O., all directors have the right to seek legal advice at the Company's expense. Other outside advisors may be engaged at the Company's expense upon request to the Board.

Appendix 1

PolyMet Mining Corp.

Audit Committee Mandate and Charter

The responsibilities of the Audit Committee are as follows:

1. To assist the Board of Directors in fulfilling its fiduciary responsibilities relating to the Company's accounting and reporting practices and the integrity of the Company's internal accounting controls and management information systems;
2. To review with the auditors, internal accountants and management of the Company:
 - a. any audited financial statement of the Company, including any such statement that is to be presented to an annual general meeting or provided to shareholders or filed with regulatory authorities and including any audited financial statement contained in a prospectus, registration statement or other similar document;
 - b. the financial disclosure in each Annual Report and Management Discussion and Analysis of the Company which accompanies such audited financial statement and in each such filing, prospectus, registration statement or other similar document;
3. To review with the internal accountants and management of the Company:
 - a. any unaudited financial statement of the Company, including any such statement that is to be presented to an annual general meeting or provided to shareholders or filed with regulatory authorities and including any unaudited financial statement contained in a prospectus, registration statement, Quarterly Report or other similar document;
 - b. the financial disclosure in each Quarterly Report and when applicable, Management Discussion and Analysis of the Company accompanying such unaudited financial statement and in each such filing, prospectus, registration statement or other similar document which accompanies such unaudited financial statement;
4. To consider in the course of each such review appropriate key considerations from those set out in the document entitled "Audit Committee Key Considerations" attached hereto as Addendum "C".
5. To otherwise review as required and report to the Board of Directors with respect to the adequacy of internal accounting and audit procedures and the adequacy of the Company's management information systems;
6. To otherwise ensure that no restrictions are placed by management on the scope of the auditor's review and examination of the Company's accounts;
7. To ensure the independence of and to recommend to the Board of Directors the firm of independent auditors to be nominated for appointment by the shareholders at the next annual general meeting;

8. To ensure that methods are in place to allow a director, officer or employee to bring concerns to the attention of the Audit Committee and that those who do so are provided protection from any retaliatory action whatsoever. Mr. Ian Forrest as Chairman, has been designated as the person to whom such concerns should be addressed and is responsible for ensuring that such concerns are handled properly and appropriately, and

9. To meet regularly at such times and places and to engage such advisors at the expense of the Company and to undertake such interviews and inquiries and to require the attendance of such Company personnel and to establish direct communications with the auditors from time to time, all as the committee sees fit for the purpose of carrying out this mandate.