

**STATE OF MINNESOTA  
DEPARTMENT OF NATURAL RESOURCES**

Assignment

*from*  
**CLEVELAND-CLIFFS INC.  
CLIFFS ERIE L.L.C.**

*to*  
**POLYMET MINING CORP.  
POLY MET MINING, INC.**  
*Ferrous Closure Permit to Mine*

**I. INTRODUCTION**

After review, due investigation, and based on the information and statements contained in the permit application dated December 13, 2017 and in the assignment request from Cliffs Erie L.L.C. dated October 15, 2018 and additional submittals as listed in Attachment 1 (contents of which are listed in Attachment 1 and hereafter referred to as the “Application”), the description of work proposed to be undertaken, the administrative record, and pursuant to Minnesota Statutes 93.44 to 93.51,

*and in consideration of*

the determination by the Commissioner of the Minnesota Department of Natural Resources (“DNR”) that the reclamation planned for the operation complies with lawful requirements and can be accomplished under available technology and that a proposed reclamation or restoration technique is practical and workable under available technology, the commissioner:

**HEREBY GRANTS PERMISSION**

*to*

PolyMet Mining Corp., a corporation organized under the Canadian Province of British Columbia, authorized to do business in Minnesota, and whose address is First Canadian Place, 100 King Street West, Suite 5700, Toronto, Ontario M5X 1C7, Canada,

*and*

Poly Met Mining, Inc., a corporation organized under the laws of the State of Minnesota, authorized to do business in Minnesota, and whose address is 444 Cedar Street, Suite 2060, St. Paul, MN 55101,

*for the purpose of*

assignment of portions of Permit to Mine #1.1 and the Cliffs Erie Closure Plan from Cliffs Erie L.L.C. and Cleveland-Cliffs Inc. (hereinafter referred to collectively as “Cliffs”) to PolyMet Mining Corp. and Poly Met Mining, Inc. (hereinafter referred to collectively as “Permittee”) for

PolyMet's Ferrous Closure Permit to Mine as generally depicted in Attachment 2 by the portion labelled "PolyMet: Surface Ownership (Pending CE Closing)" exclusive of the PolyMet NorthMet Mining Project mining area (labelled "PolyMet Mining Area").

## **II. TERM OF ASSIGNMENT**

The conditions of this permit apply to all mining, auxiliary facilities, reclamation and postclosure activities conducted at the mine facility until the lands have met the requirements of the (i) Cliffs Erie Closure Plan (approved April 16, 2004) and all subsequent Closure Plan Update Letters and (ii) the lands are released from reclamation obligations.

## **III. CONDITIONS OF PERMIT**

This permit is subject to the following **GENERAL** and **SPECIAL CONDITIONS**.

### **A. GENERAL CONDITIONS**

Permittee's mining and reclamation activities associated with the Permit to Mine assignment must be conducted in a manner consistent with (i) the **SPECIAL CONDITIONS** set forth below, (ii) the mining and reclamation plans presented in the Application, (iii) the Cliffs Erie Closure Plan (approved April 16, 2004), and all subsequent Closure Plan Update Letters, and (iv) all subsequent amendments or assignments. All of Permittee's activities under this Permit to Mine are subject to the Taconite and Iron Ore Mineland Reclamation Rules (Chapter 6130 of the Minnesota Rules). This Permit to Mine does not waive the requirements of any other applicable permit or rules of the DNR or any other agency or governmental unit or of any other applicable statute, rule, law, or ordinance.

### **B. SPECIAL CONDITIONS**

1. Full, complete, and appropriate closure in compliance with all applicable standards of all lands contained within the mining area is the responsibility of the Permittee.
2. Within 30 days of issuance, the Permittee must submit a final copy of the Framework Agreement Schedule 6.6(b) document.
3. The mining area must be revised as necessary to include any mining, auxiliary facilities, and reclamation obligations, particularly those depicted in the Framework Agreement Schedule 6.6(b) between Cliffs Erie L.L.C. and Poly Met Mining, Inc., to be reclaimed by the Permittee. A revised mining area and corresponding geographic information system data package must be submitted to the DNR for review and approval with the 2018 Annual Report and 2019 Operating Plan due January 31, 2019. The submittal must contain clear maps and descriptions of which mining, auxiliary features, and reclamation obligations are to be reclaimed by the Permittee.

4. Permittee will submit a consolidated, updated closure plan which addresses all the aspects of the Cliffs Erie Closure Plan, approved April 16, 2004 and all subsequent Closure Plan Update Letters, and associated cost estimate with the 2018 Annual Report and 2019 Operating Plan due January 31, 2019 for review and approval by the DNR. Upon review and approval by DNR of the plan and cost estimate, Permittee will update the financial assurance within 30 days.
5. Permittee will submit each year, the Annual Report (as required by Minnesota Rules Chapter 6130.4500) which will document activities completed during the past year, update the schedule of activities for the upcoming year, and associated cost estimate. Upon review and approval by DNR of the plan and cost estimate, Permittee will update the financial assurance amount within 30 days.
6. Any time land control, for the lands within the mining area that could result in changes to closure between or among Permittee and any other entity, is updated in any way, the Permittee must submit copies of such documents to the DNR within 30 days. Upon DNR review of submitted documents, a permit amendment may be required. The Permittee must include in the Annual Report each year 1) the anticipation of such changes with a description, and 2) a summary of such changes when made.
7. Changes to, or identification of new, Areas of Concern (AOC) subject to MPCA requirements within the mining area must be discussed in Permittee's Annual Report.

Dated at St. Paul, Minnesota,

this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

**STATE OF MINNESOTA**

**DEPARTMENT OF NATURAL RESOURCES**

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Tom Landwehr  
Commissioner

Received and acknowledged by:

**PolyMet Mining Corp.**

this \_\_\_\_\_ day of \_\_\_\_\_, 2018

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Jonathan Cherry  
President and Chief Executive Officer

Received and acknowledged by:

**Poly Met Mining, Inc.**

this \_\_\_\_\_ day of \_\_\_\_\_, 2018

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Jonathan Cherry  
President and Chief Executive Officer

# ATTACHMENT 1: CONTENTS OF APPLICATION AND APPROVAL ATTACHMENTS

## APPLICATION (Dated: 12/13/2017)

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1. Introduction
2. PolyMet Organizational Information and Documents
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- Appendix 16 Final Environmental Impact Statement and Related Environmental Reports
- Appendix 17 Work Plans
- Appendix 18 Wetland Related Reports

## **APPROVAL ATTACHMENTS**

Framework Agreement, September 26, 2018

Phase 1 Environmental Site Assessment for the Group 2 Lands, October 10, 2018

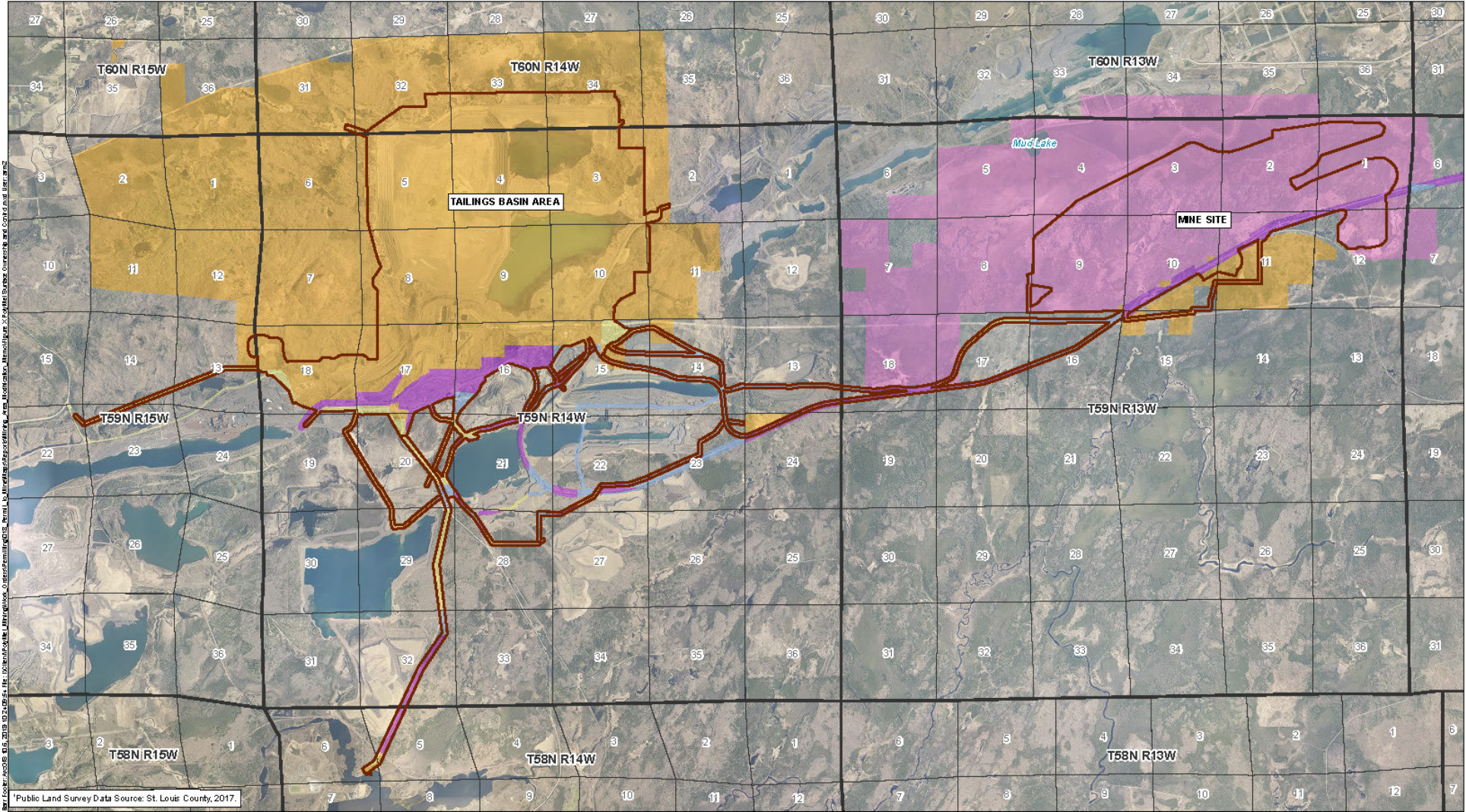
RE: Poly Met Mining, Inc. Summary of Group 2 Lands, Kevin Pylka letter to DNR, October 12, 2018

Review of Field Conditions Observed on Group 2 Lands, October 12, 2018

Cliffs Erie L.L.C. Permit to Mine Amendment Application, October 15, 2018

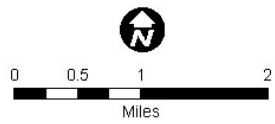
Review of Field Conditions Observed on Additional PolyMet Lands, October 25, 2018

Modification of the NorthMet Mining Area, October 26, 2018



Public Land Survey Data Source: St. Louis County, 2017.

- PLS Township-Range<sup>1</sup>
- PLS Section<sup>1</sup>
- PolyMet Mining Area
- PolyMet: Surface Ownership
- PolyMet: Surface Ownership (Pending CE Closing)
- State: Certain Rights to PolyMet (Pending Lease)
- PolyMet: Certain Rights from CE (Current and Post-Closing)
- PolyMet: Controlled/Pending Control (Other than CE and State)



POLYMET SURFACE OWNERSHIP  
AND CONTROL  
Poly Met Mining, Inc.  
Cliffs Erie, LLC

Large Figure 2  
Modification of the NorthMet Mining Area Memo