

GROWING WITH STRATEGIC METALS



Duluth Metals: The Investment Case for U.S. Precious Metals

Precious Metals Summit
Hong Kong

January 2013



Cautionary and Forward Looking Statement

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PRESENTATION DISCLAIMER continued

In addition, there are further risks associated with the business of base and precious metal exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, and flooding, the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks, and those other risk factors as set forth in Duluth Metals' most recently filed Annual Information Form under the heading "Risk Factors" and in its other public filings. Statements related to "reserves" and "resources" are deemed forward-looking statements as they involve the implied assessment, based on realistically assumed and justifiable technical and economic conditions, that an inventory of mineralization will become economically extractable. Forward-looking statements are not guarantees of future performance and such information is inherently subject to known and unknown risks, uncertainties and other factors that are difficult to predict and may be beyond the control of the Company. Although Duluth Metals has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, these items are not intended to represent a complete list of the risks and factors that could affect the Company and/or its operations and there may be other factors and risks that cause actions, events or results not to be as anticipated, estimated or intended. Consequently, undue reliance should not be placed on such forward-looking statements. In addition, all forward-looking statements in this presentation are given as of the date hereof.

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Cautionary Note to United States Investors Concerning Estimates of "Measured", "Indicated" and "Inferred Mineral Resources":

This presentation uses the terms "Measured", "Indicated" and "Inferred Mineral Resources" in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards. United States investors are advised that while such terms are recognized under Canadian securities legislation, the United States Securities and Exchange Commission does not recognize these terms. The term "Inferred Mineral Resource" refers to a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. These estimates are based on limited information and it cannot be assumed that all or any part of an "Inferred Mineral Resource" will be upgraded to a higher classification resource, such as "Indicated" or "Measured", as a result of continued exploration. Accordingly, an estimate relating to an "Inferred Mineral Resource" is insufficient to allow meaningful application of technical and economic parameters or to enable an evaluation of economic viability. Under Canadian securities legislation, estimates of an "Inferred Mineral Resource" may not form the basis of feasibility or other economic studies. As a result, United States investors are cautioned not to assume that all or any part of an "Inferred Mineral Resource" exists, or is economically or legally mineable. Investors are also cautioned not to assume that all or any part of "Measured" or "Indicated Mineral Resources" will ever be converted into "Mineral Reserves" (being the economically mineable part of an "Indicated" or "Measured" Mineral Resource).

The independent Qualified Person under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* responsible for all technical data reported in this presentation is Phillip Larson, P. Geo. Senior Geologist for Duluth Metals.

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Duluth Metals

**An emerging PGM story in the United States.....on
both a PGM qualified resource basis and a PGM
exploration basis**

PLATINUM GROUP METALS IN MINNESOTA

★ TWIN METALS

Duluth Metals' strategy is to systematically explore and develop copper-nickel-PGM deposits in Northern Minnesota.

The vision of the Company is to help move the world class Twin Metals' project through feasibility into production.

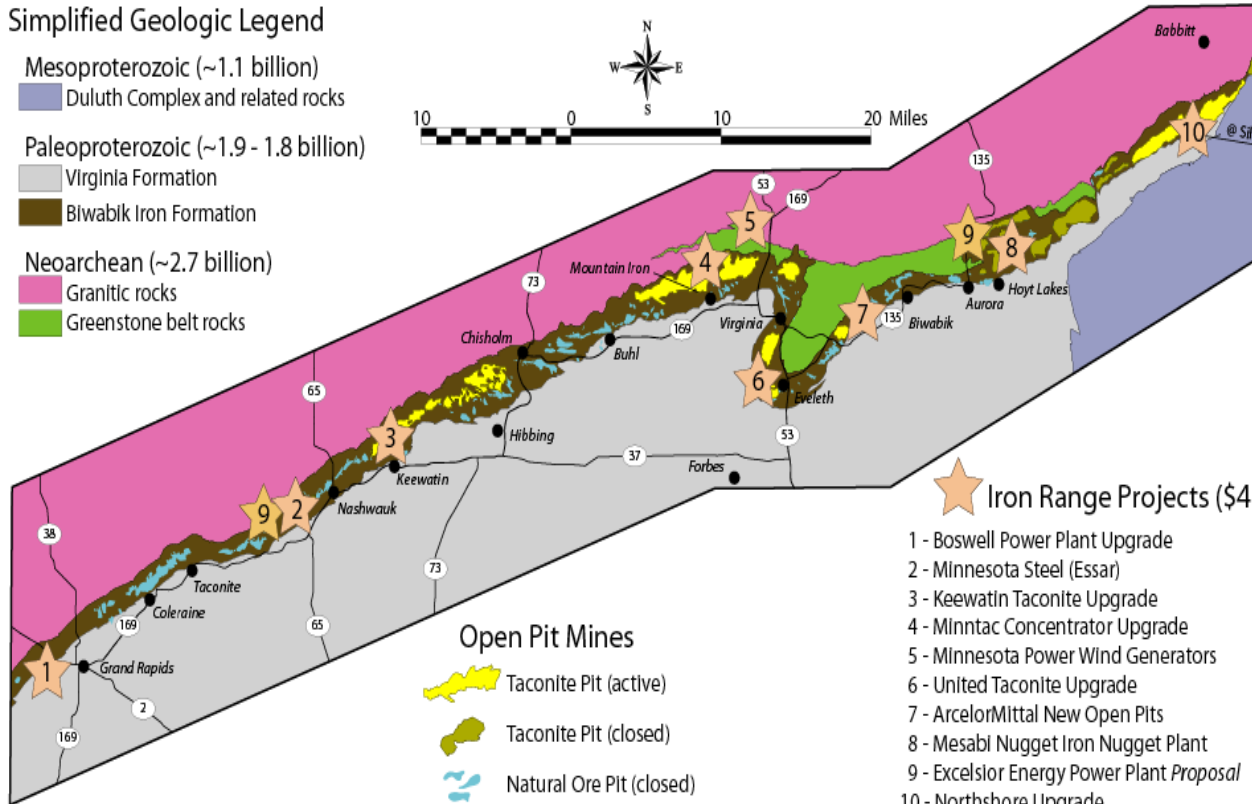
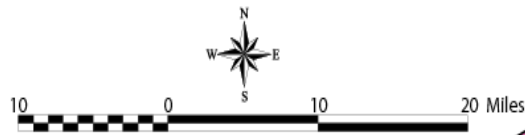


Minnesota – A Mining History

The Mesabi Iron Range – 130 years of iron mining in Minnesota

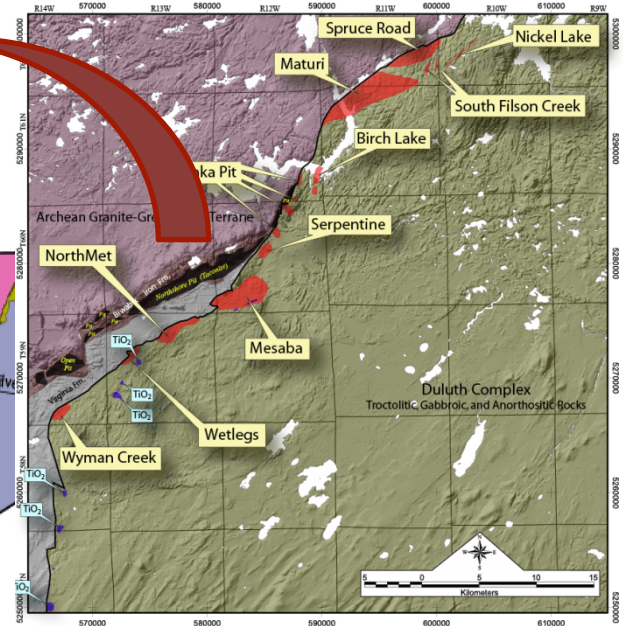
Simplified Geologic Legend

- Mesoproterozoic (~1.1 billion)
 - Duluth Complex and related rocks
- Paleoproterozoic (~1.9 - 1.8 billion)
 - Virginia Formation
 - Biwabik Iron Formation
- Neoproterozoic (~2.7 billion)
 - Granitic rocks
 - Greenstone belt rocks



★ Iron Range Projects (\$4 billion)

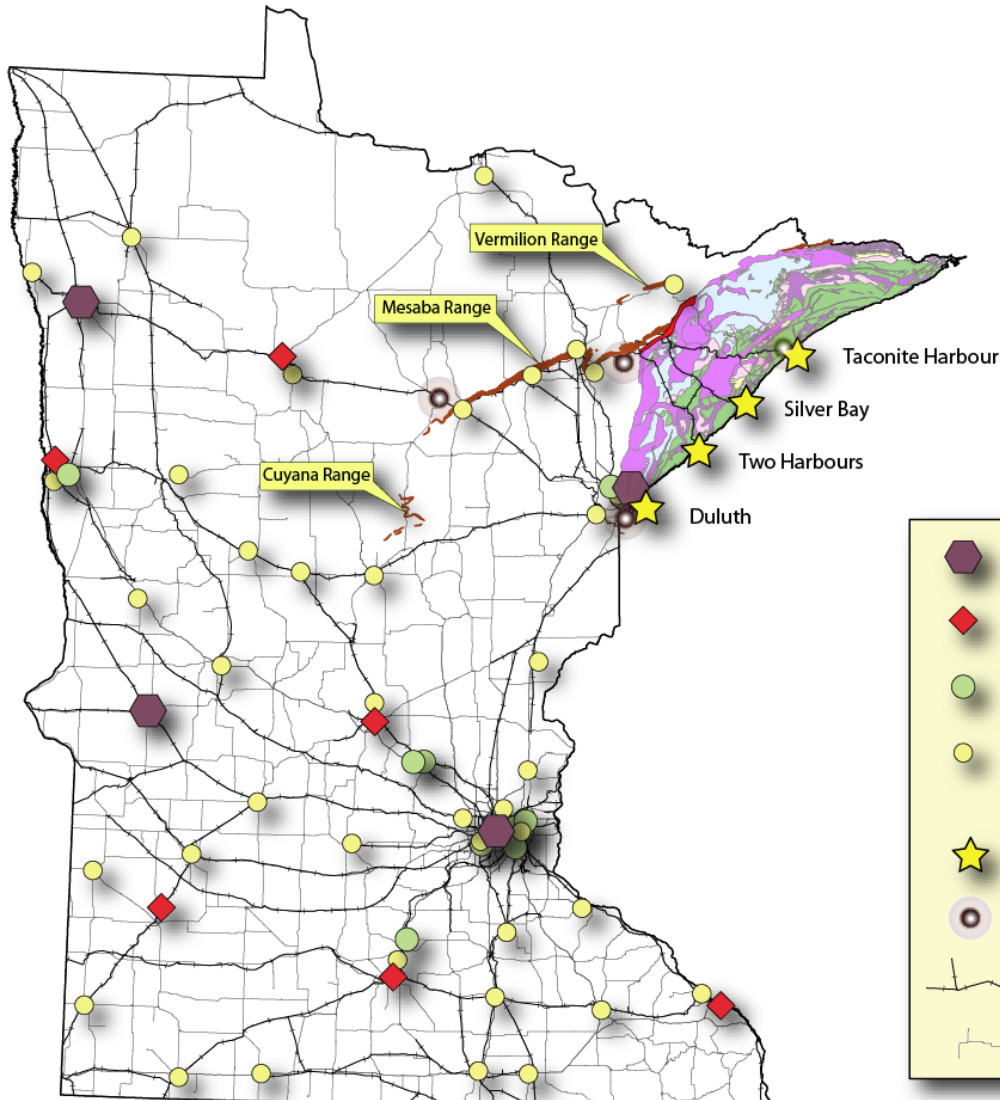
- 1 - Boswell Power Plant Upgrade
- 2 - Minnesota Steel (Essar)
- 3 - Keewatin Taconite Upgrade
- 4 - Minntac Concentrator Upgrade
- 5 - Minnesota Power Wind Generators
- 6 - United Taconite Upgrade
- 7 - ArcelorMittal New Open Pits
- 8 - Mesabi Nugget Iron Nugget Plant
- 9 - Excelsior Energy Power Plant Proposal
- 10 - Northshore Upgrade



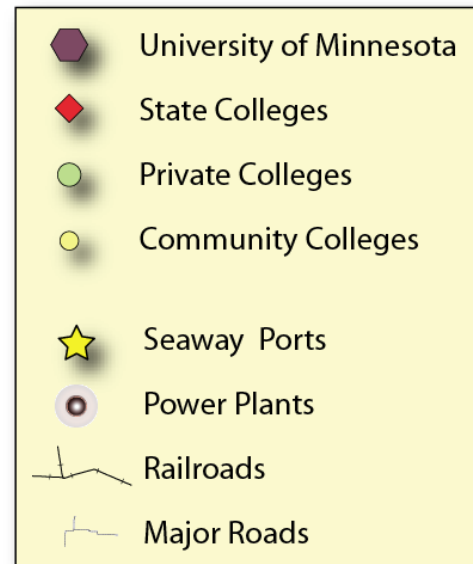
The Duluth Complex – one of the world's largest undeveloped copper-nickel-platinum group districts

The Advantage of Outstanding Infrastructure

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Minnesota has all required infrastructure in place, including power, rail, road, ports and labour force.



Part One

Duluth Metals PGMs

The Existing Qualified NI 43-101 Resource

Twin Metals Minnesota (TMM) Project

- **Proposed underground copper-nickel-PGM group mine in the Duluth Complex in northern Minnesota**
- **Joint Venture – 60% Duluth Metals, 40% Antofagasta**
- **PGMs are a significant part of the TMM Project**

Antofagasta plc

An Outstanding Partner

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**Luksic Group
(65%)**

**LSE Freefloat
(35%)**

FTSE 100 since March 2004
\$U.S. 20 Billion market cap major global mining partner

- **Expertise in large-scale mining operations**
- **Outstanding environmental and social responsibility track record**
- **Antofagasta is Duluth Metals largest shareholder**

Mining

Operating assets (Chile) : Los Pelambres – El Tesoro – Michilla - Esperanza

- For 2012, projecting 700,000 tonnes of copper in concentrate and cathodes
- 9,200 tonnes of molybdenum in concentrate

Feasibility studies: Reko Diq (Pakistan), Antucoya (Chile)

Exploration and evaluation in Sierra Gorda, Los Pelambres and Michilla districts in Chile and Twin Metals Minnesota in the United States

Earn-in agreements in Europe, Africa the Americas and Australia



* All figures are on a 100% basis, not an attributable basis, and refer to 2012 estimates.

Importance of PGMs in U.S.A.

- **South Africa, the world's top platinum producer, has a multitude of challenges**
- **Medium term production in South Africa will continue to fall – prices should move up**
- **End users of platinum need guaranteed supply without interruption**
- **Move for diversification outside of South Africa**
- **Duluth Metals is a significant player in the PGM world outside of South Africa**

PGMs – A Significant Part of the Twin Metals Project

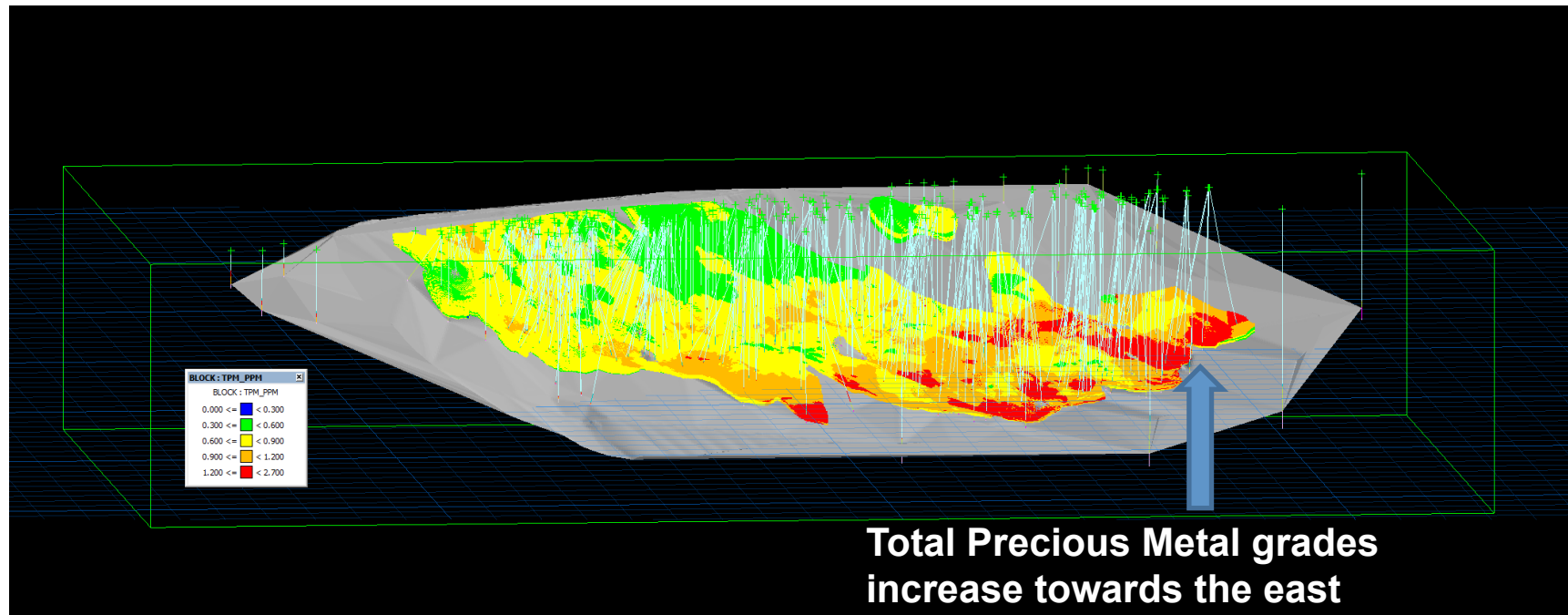
On only 11% of the Twin Metals Property block, the new AMEC Technical Report confirms the Twin Metals Minnesota Project growing PGM+Au resource of **21.2 M ozs. Indicated and 12.8 M ozs. Inferred** as one of the world's largest palladium+platinum+gold resources outside of South Africa

METAL		INDICATED RESOURCE	INFERRED RESOURCE
Platinum (million troy ounces)	Maturi	4.9	2.2
	Birch Lake	0.7	1.3
	TOTAL	5.6	3.5
Palladium (million troy ounces)	Maturi	11.1	5.1
	Birch Lake	1.5	2.6
	TOTAL	12.6	7.6
Gold (million troy ounces)	Maturi	2.6	1.1
	Birch Lake	0.3	0.6
	TOTAL	3.0	1.7

Higher Grade TPMs in the Eastern Sector of the Maturi Deposit



TPM (platinum+palladium+gold) values are expressed in ppm ranging from less than 0.3 ppm TPM (blue) to greater than 1.2 ppm TPM (red) in the S3 subunit within the Maturi Deposit looking from an oblique view from the south



Drill holes are projected as the light blue strings. The green outline is the limit of the block model. The grey surface represents the base of the Basal Mineralized Zone.

Updated TMM December 2012 Resource Estimate

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Contained Metals in TMM NI 43-101 Resource*

	Metal	Indicated	Inferred
Base	Copper	13.7 Billion lbs.	11.8 Billion lbs.
	Nickel	4.4 Billion lbs.	4.0 Billion lbs.
Precious	Platinum	5.6 Million ozs.	3.5 Million ozs.
	Palladium	12.6 Million ozs.	7.6 Million ozs.
	Gold	3.0 Million ozs.	1.7 Million ozs.
	TPM (Pt+Pd+Au)	21.2 Million ozs.	12.8 Million ozs.

*Reference: December 2012 Company press release entitled “Duluth Metals Announces an Updated Mineral Resource Estimate Confirming Large Increases to Twin Metals Contained Metal, Grade and Indicated Tons”

* *Note – These resource estimates include 100% of the identified material in each deposit, and include mineral resources acquired as a part of TMM’s acquisition of Franconia Minerals Corporation in 2011. Franconia’s principal assets are a 70% interest in the Birch Lake, ‘old’ Maturi and Spruce Road deposits in northeastern Minnesota through the Birch Lake Joint Venture. Franconia announced in November, 2010 its intention to increase its ownership at the Birch Lake Joint Venture to 82%; see Franconia’s company profile at www.SEDAR.com for Technical Reports. TMM’s ownership of the resource will be factored by these percentages where applicable.*

December 2012 TMM Resource Estimate

Using a 0.3% Cu cut-off, AMEC confirms global **Indicated Tons of 1.17 Billion and Inferred Tons of 1.26 Billion** on the three deposits (Birch Lake, Maturi and Spruce Road) which are approximately 11% of the Twin Metals property block:

Maturi Deposit*	1.065 billion tons of Indicated Resources grading 0.59% copper, 0.19% nickel, 0.60 parts per million TPM (TPM = Pt + Pd + Au), <u>plus</u> an additional 542 million tons of Inferred Resources grading 0.51% copper, 0.17% nickel, 0.53 parts per million TPM.
Birch Lake Deposit*	99.7 million tons of Indicated Resources grading 0.52% copper, 0.16% nickel, 0.86 parts per million TPM and 239.2 million tons of Inferred Resources grading 0.46% copper, 0.15% nickel, 0.64 parts per million TPM.
Spruce Road Deposit*	480 million tons of Inferred Resources grading 0.43% copper, 0.16% nickel.

* Note – These resource estimates include 100% of the identified material in each deposit, and include mineral resources acquired as a part of TMM's acquisition of Franconia Minerals Corporation in 2011. Franconia's principal assets are a 70% interest in the Birch Lake, 'old' Maturi and Spruce Road deposits in northeastern Minnesota through the Birch Lake Joint Venture. Franconia announced in November, 2010 its intention to increase its ownership at the Birch Lake Joint Venture to 82%; see Franconia's company profile at www.SEDAR.com for Technical Reports. TMM's ownership of the resource will be factored by these percentages where applicable.

Exploration Targets¹

Exploration Targets* around Maturi and Birch Lake add potential tonnage to the TMM resource:

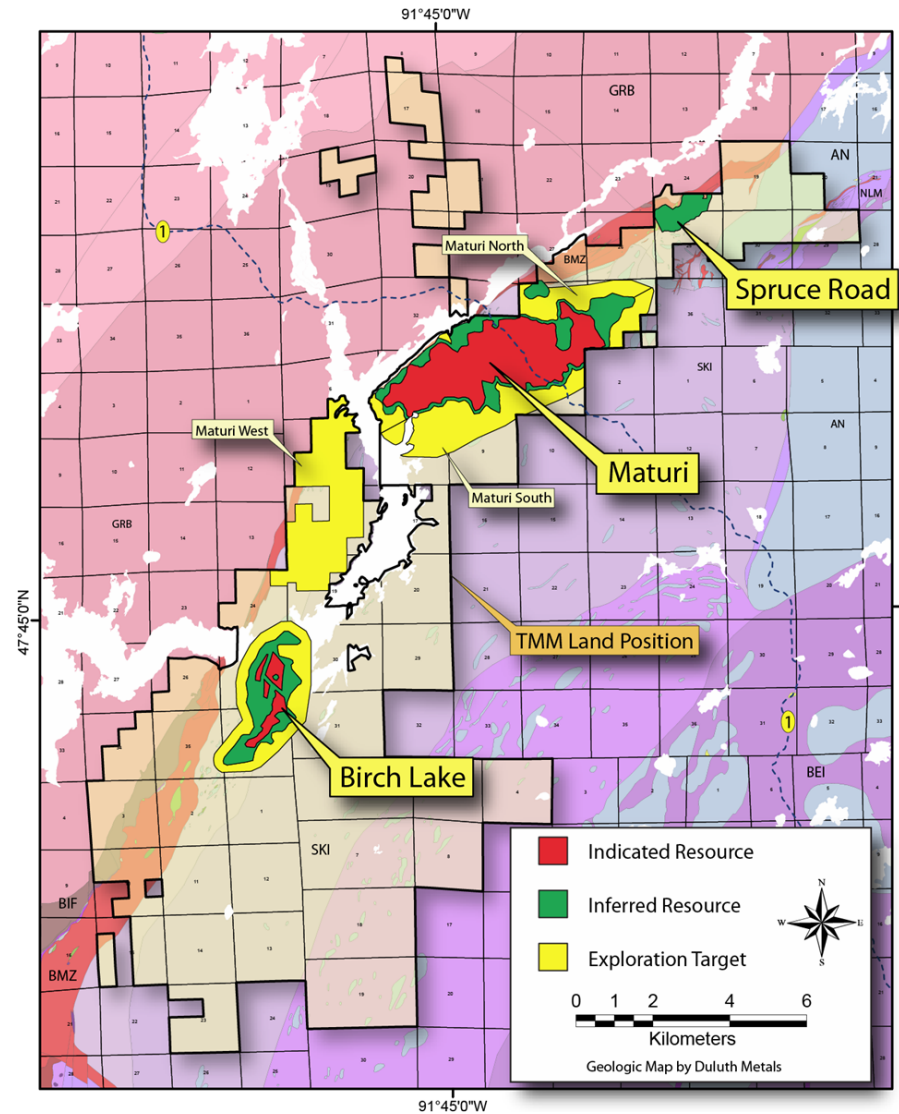
*Exploration Targets reflect TMM's current 70% interest in these properties which will increase to 82% upon production. These Exploration Targets only cover approximately 12% of the TMM property block.

Maturi North Exploration Target	The estimated tonnage and grades range from 290 to 435 million tons grading 0.41 to 0.61% Cu, 0.14 to 0.21 %Ni, 0.10 to 0.14 ppm Pt, 0.24 to 0.34 ppm Pd, and 0.07 to 0.07 ppm Au.
Maturi South Exploration Target	The estimated tonnage and grades range from 330 to 500 million tons grading 0.42 to 0.62 %Cu, 0.13 to 0.19 %Ni, 0.14 to 0.21 ppm Pt, 0.31 to 0.45 ppm Pd, and 0.07 to 0.10 ppm Au
Maturi West Exploration Target	The estimated tonnage and grades range from 600 to 980 million tons grading 0.41 to 0.52 %Cu, 0.15 to 0.18 %Ni, 0.10 to 0.14 ppm Pt, 0.27 to 0.31 ppm Pd, and 0.07 to 0.07 ppm Au.
Birch Lake Target	The estimated tonnage and grades range from 222 to 334 million tons grading 0.33 to 0.50 %Cu, 0.11 to 0.16 %Ni, and 0.39 to 0.58 ppm TPM.

¹The potential quantity and grade of the Exploration Targets is conceptual in nature, and there has been insufficient exploration to define the target as a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

Indicated and Inferred Resources, Exploration Targets on TMM Project

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The S3 Subunit Provides Potential Earlier Economic Mining opportunities

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Maturi Deposit- S3 Subunit

Indicated Mineral Resource							
Cu% cut-off	Million Tons	Cu %	Ni %	Pt ppm	Pd ppm	Au ppm	TPM ppm
0.2	643	0.681	0.218	0.198	0.449	0.105	0.752
0.3	643	0.682	0.218	0.198	0.449	0.105	0.752
0.4	641	0.683	0.218	0.198	0.449	0.105	0.752
0.5	622	0.689	0.220	0.199	0.451	0.106	0.756
0.6	500	0.721	0.230	0.206	0.468	0.109	0.783
0.7	265	0.783	0.247	0.221	0.508	0.116	0.845
Inferred Mineral Resource							
Cu% cut-off	Million Tons	Cu %	Ni %	Pt ppm	Pd ppm	Au ppm	TPM ppm
0.2	234	0.617	0.198	0.206	0.464	0.100	0.770
0.3	232	0.620	0.198	0.208	0.466	0.101	0.775
0.4	225	0.627	0.200	0.210	0.472	0.102	0.784
0.5	198	0.650	0.205	0.222	0.495	0.107	0.824
0.6	129	0.700	0.219	0.248	0.554	0.120	0.922
0.7	53	0.779	0.236	0.284	0.637	0.137	1.058

***Reference:** December 2012 Company press release entitled “Duluth Metals Announces an Updated Mineral Resource Estimate Confirming Large Increases to Twin Metals Contained Metal, Grade and Indicated Tons”

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Part Two





Exploration for New PGM Mineralization

Duluth Metals Exploration Division

- **The Company is leveraging knowledge of the Duluth Complex to find additional deposits in Northern Minnesota in close proximity to the Twin Metals Minnesota Project**
- **Active drilling program underway**



Strategic Land Holdings

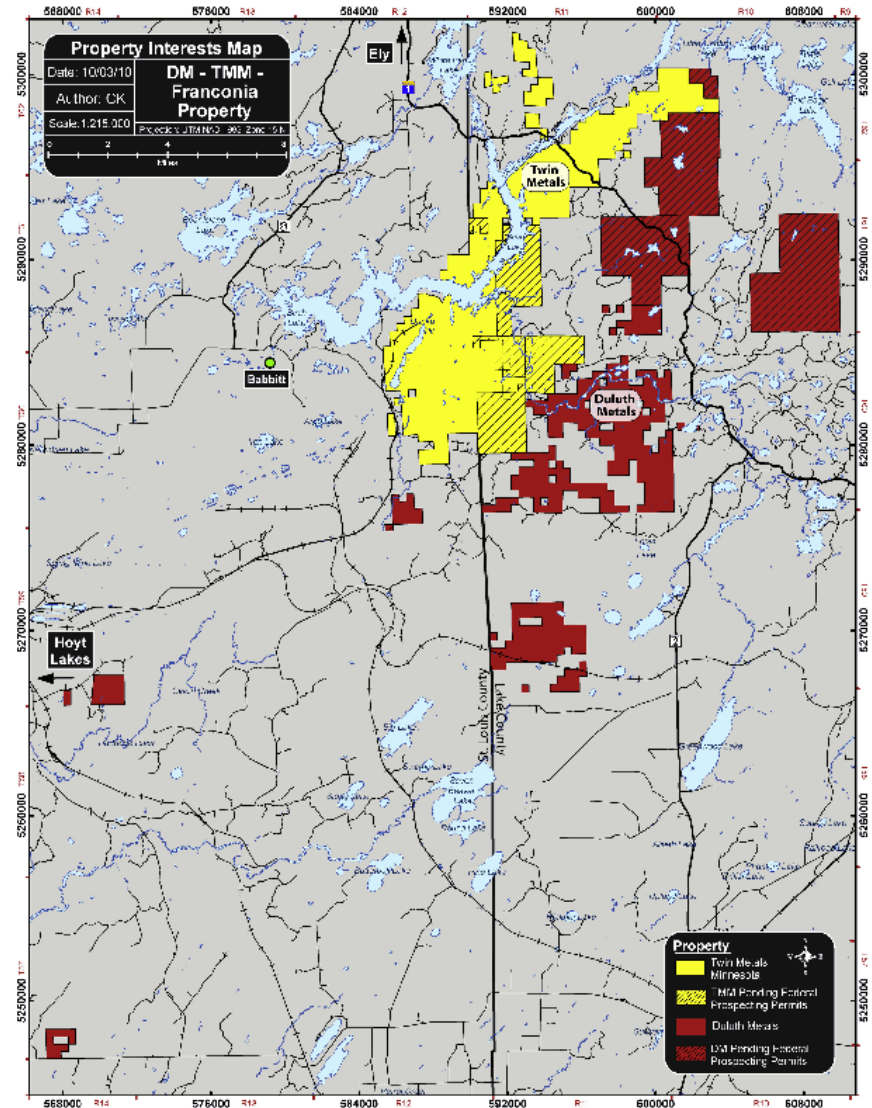
-  Twin Metals Lands
-  Twin Metals Federal Prospecting Permits
-  DM State and Private Exploration Lands
-  DM Federal Prospecting Permits

Twin Metals Project

- approx. 32,000 acres of mineral interests

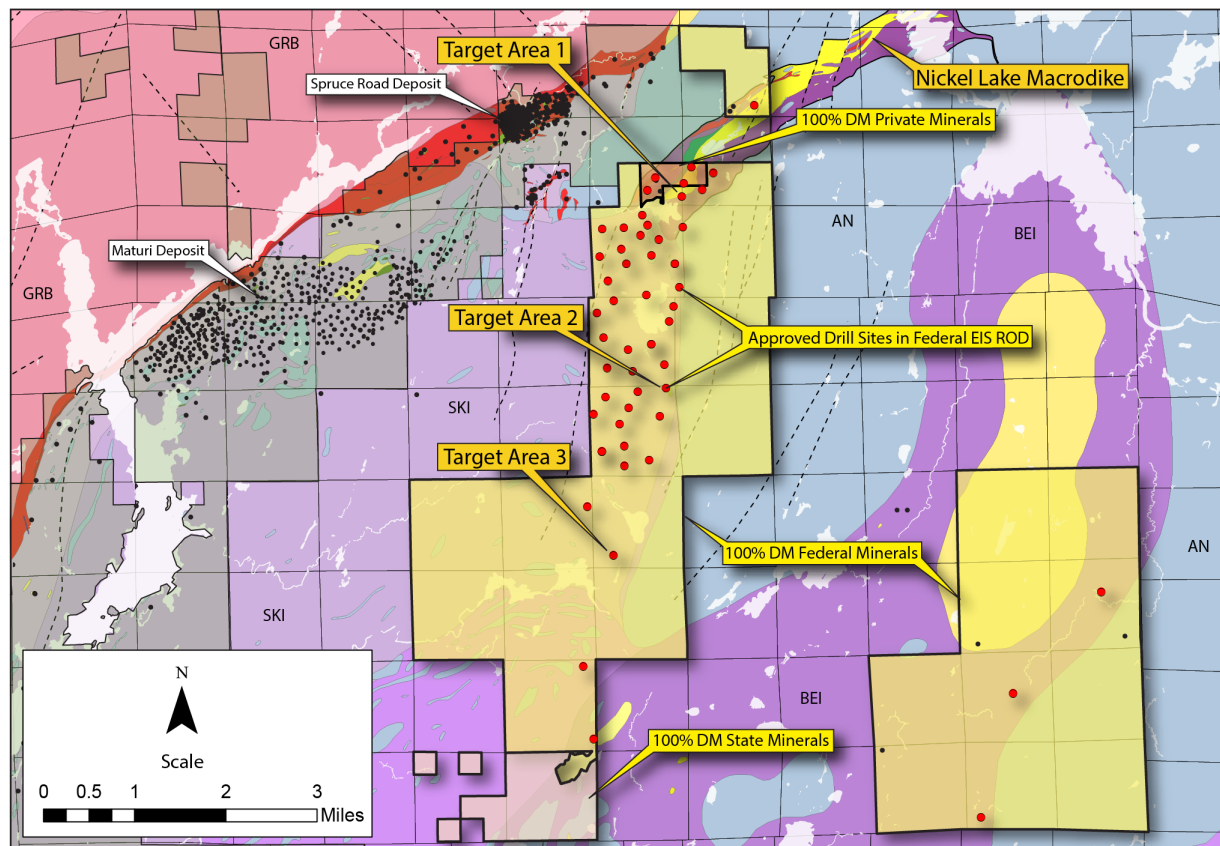
Duluth Exploration Limited

- Certain earn-in rights on approx. 40,000 acres of DM mineral interests
- Approx. 18,000 acres of the 40,000 are issued or pending BLM prospecting permits



Drilling has commenced on Three Target Areas

The Nor' East property is situated at the junction of the Nickel Lake Macrodike and the South Kawishiwi Intrusion and represents a prime target area



Three initial drilling target areas are:

Target Area 1:

- The Nickel Lake Macrodike area has potential for PGM's in addition to copper/nickel mineralization and magma conduit-hosted massive sulphide targets

Target Area 2:

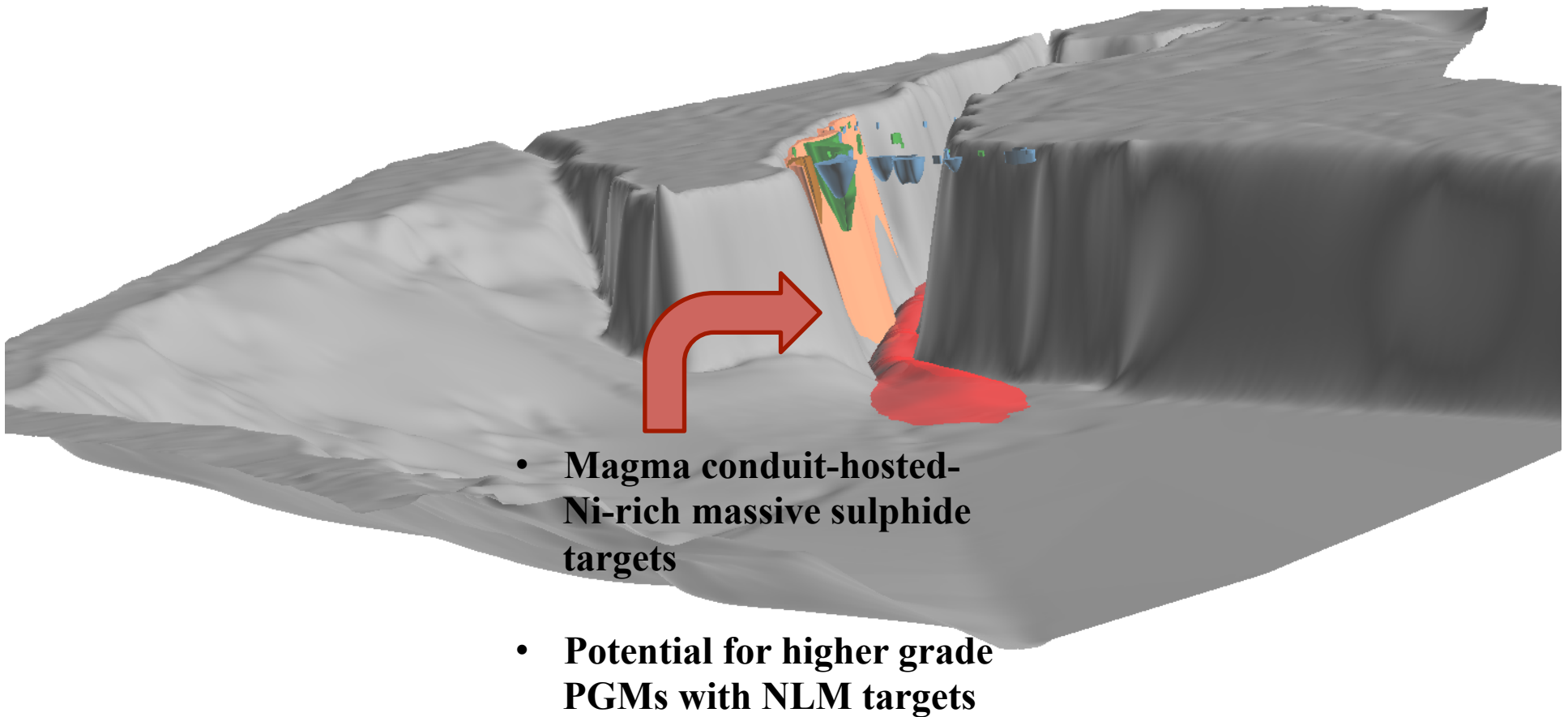
- Two miles south of the mouth of the Nickel Lake Macrodike

Target Area 3:

- Focus is for copper-nickel-PGM mineralization, similar to other known deposits in the Duluth Complex such as the TMM Project deposits and the deep portions of the Mesaba Deposit

The Nickel Lake Macrodike

Potential for Higher Grade PGMs and Base Metals



- **Magma conduit-hosted-Ni-rich massive sulphide targets**
- **Potential for higher grade PGMs with NLM targets**

Duluth Metals – Investor Perspective



- **The final December 2012 pre-feasibility AMEC resource estimate report confirms an increase in the global resource, contained metal, and the economic opportunities which exist on the higher grade portions of the deposit**
- **A growing platinum group metals (PGM) and gold resource is one of the world's largest palladium and platinum resources outside of South Africa; potential for new PGM deposits on 100% owned Duluth Exploration properties**
- **Potential significant value creation arising out of current drilling program on exploration properties**
- **M&A Perspective – several analysts have highlighted an M&A perspective on DM**

Corporate Snapshot



Share Structure as of Dec. 31, 2012

Common Shares Issued and Outstanding	125,750,816
Common Shares Reserved for Issuance – Allocated Stock Options	11,111,372
Common Share Capital – Fully Diluted	136,862,188



Management

Christopher Dundas Chairman & CEO

Vern Baker President

Kelly Osborne Chief Operating Officer

Dean Peterson Senior V.P. Exploration

Marvin Dee Chief Financial Officer

H. James Blake Secretary

Major shareholders

Antofagasta plc

Wallbridge Mining

Oppenheimer Funds Inc

Columbia Wanger Asset Management LLC

J.P. Morgan Asset Management (UK) Ltd

The Capital Group

Wellington Management Companies

Mackenzie Financial Corporation