UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 40-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2019 Commission File Number: 001-32210



NORTHERN DYNASTY MINERALS LTD.

(Exact name of Registrant as specified in its charter)

British Columbia Canada	**1040**	**Not Applicable**
(Province or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code)*	*(I.R.S. Employer Identification No.)*

15th Floor, 1040 West Georgia Street
Vancouver, British Columbia
Canada V6E 4H1
(604) 684-6365
(Address and telephone number of Registrant's principal executive offices)

Corporation Service Company
Suite 400, 2711 Centerville Road
Wilmington, Delaware 19808
(800) 927-9800
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to section 12(b) of the Act:

Title Of Each Class	Name Of Each Exchange On Which Registered
Common Shares, no par value	**NYSE American**

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

For annual reports, indicate by check mark the information filed with this Form:

☒ Annual Information Form ☒ Audited Annual Financial Statements

Indicate the number of outstanding shares of each of the Registrant's classes of capital or common stock as of the close of the period covered by the annual report: **422,942,680 Common Shares**

Indicate by check mark whether the Registrant by filing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934 (the "Exchange Act"). If "yes" is marked, indicate the file number assigned to the Registrant in connection with such Rule.

Yes ☐ No ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data

File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files).

Yes ☐ No ☒

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

INTRODUCTORY INFORMATION

In this annual report, references to “we”, “our”, “us”, the “Company” or “Northern Dynasty”, mean Northern Dynasty Minerals Ltd. its subsidiaries and consolidated interests, unless the context suggests otherwise.

Northern Dynasty is a Canadian issuer eligible to file its annual report pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) on Form 40-F pursuant to the multi-jurisdictional disclosure system (the “ **MJDS**”) adopted by the United States Securities and Exchange Commission (the “**SEC**”). The equity securities of the Company are further exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3 of the Exchange Act.

Unless otherwise indicated, all amounts in this annual report are in Canadian dollars and all references to “$” mean Canadian dollars.

PRINCIPAL DOCUMENTS

The following documents that are filed as exhibits to this annual report are incorporated by reference herein:

Document	Exhibit No.
Annual Information Form of the Company for the year ended December 31, 2019 (the “ **AIF**”)	99.7
Audited consolidated financial statements of the Company as at and for the years ended December 31, 2019 and 2018, including the report of the Independent Registered Public Accounting Firm with respect thereto	99.5
Management’s Discussion and Analysis of the Company for the year ended December 31, 2019 (the “ **MD&A**”)	99.6

FORWARD-LOOKING STATEMENTS

This annual report includes or incorporates by reference certain statements that constitute “forward-looking statements” within the meaning of the United States *Private Securities Litigation Reform Act of 1995* . These statements appear in a number of places in this annual report and documents incorporated by reference herein and include statements regarding our intent, belief or current expectation and that of our officers and directors. These forward-looking statements involve known and unknown risks and uncertainties that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this annual report or in documents incorporated by reference in this annual report, words such as “believe”, “anticipate”, “estimate”, “project”, “intend”, “expect”, “may”, “will”, “plan”, “should”, “would”, “contemplate”, “possible”, “attempts”, “seeks” and similar expressions are intended to identify these forward-looking statements. All statements in documents incorporated herein, other than statements of historical facts that address future production, permitting, reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. These forward-looking statements are based on various factors and were derived utilizing numerous assumptions that could cause our actual results to differ materially from those in the forward-looking statements. Accordingly, you are cautioned not to put undue reliance on these forward-looking statements. Other forward-looking statements include, among others, statements regarding:

- our expectations regarding the potential for securing the necessary permitting of a mine at the Pebble Project and our ability to establish that such a permitted mine can be economically developed;

- the timing of the completion of the United States Army Corps of Engineers (" **USACE**") Environmental Statement ("**EIS**") and the issuance of the Record of Decision ("**ROD**") by the USACE;

- our ability to successfully apply for and obtain the federal and state permits that we will be required to obtain for the Pebble Project under the Clean Water Act ("**CWA**") and the National Environmental Policy Act (" **NEPA**");

- our plan of operations, including our plans to carry out and finance exploration and development activities and for working capital purposes and our expectations regarding our cash and working capital requirements;

- our ability to raise capital for exploration and development activities and working capital;

- our expected financial performance in future periods;

- our expectations regarding the exploration and development potential of the Pebble Project

- the outcome of any other legal proceedings in which we are engaged; and

- factors relating to our investment decisions.

Certain of the assumptions we have made include assumptions regarding, among other things:

- that we will be able to secure sufficient capital necessary for continued environmental assessment and permitting activities and engineering work which must be completed prior to any potential development of the Pebble Project which would then require engineering and financing in order to advance to ultimate construction;

- that we will ultimately be able to demonstrate that a mine at the Pebble Project can be developed and operated in an environmentally sound and socially responsible manner, meeting all relevant federal, state and local regulatory requirements so that we will be ultimately able to obtain permits authorizing construction of a mine at the Pebble Project;

- that the market prices of copper, gold, molybdenum and silver will not decline significantly or stay depressed for a lengthy period of time;

- that our key personnel will continue their employment with us; and

- that we will continue to be able to secure minimum adequate financing for working capital and other purposes on acceptable terms.

Some of the risks and uncertainties that could cause our actual results to differ materially from those expressed in our forward-looking statements include:

- an inability to ultimately obtain permitting for a mine at the Pebble Project;

- an inability to establish that the Pebble Project may be economically developed and mined or contain commercially viable deposits of ore based on a mine plan for which government authorities are prepared to grant permits;

- the USACE may be delayed in completing the EIS and issuing its ROD;

- the impact of the COVID-19 pandemic, including any consequential delays to the permitting process for the Pebble Project and negative impacts to capital markets;

- an inability to complete a partnering transaction on terms satisfactory to the Company;

- an inability to continue to fund exploration and development activities and other operating costs;

- the highly cyclical and speculative nature of the mineral resource exploration business;

- the pre-development stage economic viability and technical uncertainties of the Pebble Project and the lack of known reserves on our Pebble Project;

- an inability to recover even the financial statement carrying values of the Pebble Project if we cease to continue on a going concern basis;

- the potential for loss of the services of key executive officers;
- a history of, and expectation of further, financial losses from operations impacting our ability to continue on a going concern basis;
- the volatility of gold, copper, molybdenum and silver prices and share prices of mining companies;
- the inherent risk involved in the exploration, development and production of minerals and the presence of unknown geological and other physical and environmental hazards at the Pebble Project;
- the potential for changes in, or the introduction of new, government regulations relating to mining, including laws and regulations relating to the protection of the environment and project legal titles;
- potential claims by third parties to titles or rights involving the Pebble Project;
- the uncertainty of the outcome of current or future litigation;
- the possible inability to insure our operations against all risks;
- the highly competitive nature of the mining business;
- our ability to obtain funding for working capital and other purposes;
- the potential equity dilution to current shareholders from future equity financings or from the exercise of share purchase options and warrants to purchase the Company's shares; and
- that we have never paid dividends and will not do so in the foreseeable future.

We refer you to the section entitled "Risk Factors" under Item 5 in our AIF for more detailed discussion of such risks and other important factors that could cause our actual results to differ materially from those in such forward-looking statements. Except as required by law, we assume no obligation to update or to publicly announce the results of any change to any of the forward-looking statements contained or incorporated by reference herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements.

CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING CANADIAN MINERAL PROPERTY DISCLOSURE STANDARDS

The disclosure in this annual report, including the documents incorporated by reference herein, uses terms that comply with reporting standards in Canada and certain estimates are made in accordance with Canadian National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. In accordance with NI 43-101, the Company uses the terms mineral reserves and resources as they are defined in accordance with the CIM Definition Standards on mineral reserves and resources (the "**CIM Definition Standards**") adopted by the Canadian Institute of Mining, Metallurgy and Petroleum.

The SEC has adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the U.S. Exchange Act, effective February 25, 2019 (the "**SEC Modernization Rules**"). The SEC Modernization Rules have replaced the historical property disclosure requirements for mining registrants that were included in SEC Industry Guide 7 ("Guide 7"), which will be rescinded.

The SEC Modernization Rules include the adoption of definitions of the following terms, which are substantially similar to the corresponding terms under the CIM Definition Standards under "*Canadian Mineral Property Disclosure Standards and Resource Estimates* ":

- feasibility study;
- indicated mineral resource;

- inferred mineral resource;
- measured mineral resource;
- mineral reserve;
- mineral resource;
- modifying factors;
- preliminary feasibility study (or “pre-feasibility study”);
- probable mineral resource; and
- proven mineral reserve.

As a result of the adoption of the SEC Modernization Rules, the SEC will now recognize estimates of “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources”. In addition, the SEC has amended its definitions of “proven mineral reserves” and “probable mineral reserves” to be substantially similar to the corresponding CIM Definitions.

We are not required to provide disclosure on our mineral properties, including the Pebble Project, under the SEC Modernization Rules as we are presently a “foreign issuer” under the U.S. Exchange Act and entitled to file continuous disclosure reports with the SEC under the MJDS between Canada and the United States. Accordingly, we anticipate that we will be entitled to continue to provide disclosure on our mineral properties, including the Pebble Project, in accordance with NI 43-101 disclosure standards and CIM Definition Standards. However, if we either cease to be a “foreign issuer” or cease to be entitled to file reports under the MJDS, then we will be required to provide disclosure on our mineral properties under the SEC Modernization Rules. Accordingly, United States investors are cautioned that the disclosure that we provide on our mineral properties, including the Pebble Project, in this annual report and under our continuous disclosure obligations under the U.S. Exchange Act may be different from the disclosure that we would otherwise be required to provide as a U.S. domestic issuer or a non-MJDS foreign issuer under the SEC Modernization Rules.

United States investors are cautioned that while the above terms are substantially similar to CIM Definitions, there are differences in the definitions under the SEC Modernization Rules and the CIM Definition Standards. Accordingly, there is no assurance any mineral resources that we may report as “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources” under NI 43-101 would be the same had we prepared the resource estimates under the standards adopted under the SEC Modernization Rules.

United States investors are also cautioned that while the SEC will now recognize “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources”, investors should not assume that any part or all of the mineral deposits in these categories will ever be converted into a higher category of mineral resources or into mineral reserves. Mineralization described by these terms has a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. Accordingly, investors are cautioned not to assume that any “measured mineral resources”, “indicated mineral resources”, or “inferred mineral resources” that we report in this annual report are or will be economically or legally mineable.

Further, “inferred resources” have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, United States investors are also cautioned not to assume that all or any part of the inferred resources exist. In accordance with Canadian securities laws, estimates of “inferred mineral resources” cannot form the basis of feasibility or other economic studies, except in limited circumstances where permitted under NI 43-101.

In addition, disclosure of “contained ounces” is permitted disclosure under Canadian regulations; however, the SEC only permits issuers to report mineralization as in place tonnage and grade without reference to unit measures.

For the above reasons, information contained in this annual report and the documents incorporated by reference herein containing descriptions of our mineral deposits may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

NOTE TO UNITED STATES READERS REGARDING DIFFERENCES BETWEEN UNITED STATES AND CANADIAN REPORTING PRACTICES

The Company is permitted to prepare this annual report in accordance with Canadian disclosure requirements which require Canadian public companies to prepare financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee (together, "IFRS"). Accordingly, the Company's audited consolidated financial statements for the years ended December 31, 2019 and 2018, have been prepared in accordance with IFRS, and the audit is performed in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB") and our auditor is subject to both Canadian auditor independence standards and the auditor independence standards of the PCAOB and the SEC. Therefore, the Company's consolidated financial statements incorporated by reference in this annual report may not be comparable to financial statements prepared in accordance with US GAAP.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act to mean controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and includes, without limitation, controls and procedures designed to ensure that such information is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

As of the end of the period covered by this report, our management carried out an evaluation, with the participation of our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of our disclosure controls and procedures. Based upon that evaluation, our CEO and CFO concluded that, as of the end of the period covered by this report, our disclosure controls and procedures, as defined in Rule 13a-15(e), were effective to give a reasonable assurance that the information required to be disclosed by us in reports that we file or submit to the SEC under the Exchange Act is:.

- recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and
- accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

It should be noted that while our CEO and our CFO believe that our disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that our disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system will be met.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Internal Control over Financial Reporting

The Company's management, including the CEO and the CFO, is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting ("ICFR"), as defined by Rule 13a-15(f) and 15d-15(f) of the Exchange Act, is a process designed by, or under the supervision of the Company's principal executive and principal financial officers or persons performing similar functions and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by the IASB. The Company's ICFR includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and

- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

The Company's management, including its CEO and CFO, believe that any system of internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Furthermore, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty and breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of control. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

Management's Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting (as such term is defined in Rule 13a-15(f) of the Exchange Act) for the Company.

The Company's management, with the participation of the CEO and CFO, assessed the effectiveness of the Company's ICFR as of December 31, 2019. In making the assessment, it used the criteria set forth in the *Internal Control-Integrated Framework (2013)* published by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on its assessment, management has concluded that the Company's ICFR was effective as of December 31, 2019.

Auditor's Attestation Report

The Company is presently an "emerging growth company" as defined in section 3(a) of the Exchange Act, and the Company will continue to qualify as an "emerging growth company" until the earliest of:

(a) the last day of the fiscal year during which the Company has total annual gross revenues of US$1,000,000,000 (as such amount is indexed for inflation every 5 years by the SEC) or more;

(b) the last day of the Company's fiscal year following the fifth anniversary of the date of the first sale of common equity securities pursuant to an effective registration statement under the Securities Act;

(c) the date on which the Company has, during the previous 3-year period, issued more than US$1,000,000,000 in non-convertible debt; or

(d) the date on which the Company is deemed to be a "large accelerated filer", as defined in Exchange Act Rule 12b–2.

Northern Dynasty expects to continue to be an emerging growth company until December 31, 2020.

Generally, a registrant that registers any class of its securities under section 12 of the Exchange Act is required to include in the second and all subsequent annual reports filed by it under the Exchange Act, a management report on internal control over financial reporting and, subject to an exemption available to registrants that are neither an "accelerated filer" or a "larger accelerated filer" (as those terms are defined in Exchange Act Rule 12b-2), an auditor attestation report on management's assessment of internal control over financial reporting. However, for so long as the Company continues to qualify as an emerging growth company, the Company will be exempt from the requirement to include an auditor attestation report in its annual reports filed under the Exchange Act, even if it were to qualify as an "accelerated filer" or a "larger accelerated filer". The Company was an "accelerated filer" for fiscal 2019 (as determined on June 30, 2019, being the last day of the Company's second fiscal quarter). Based on the Company's current status as an "emerging growth company" management's report was not subject to attestation by the Company's registered public accounting firm and, accordingly, this Annual Report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting.

No Changes in Internal Control over Financial Reporting

Management, including the CEO and CFO, has evaluated the Company's ICFR to determine whether any changes occurred during the period covered by this annual report on Form 40-F that have materially affected, or are reasonably likely to materially affect, the Company's ICFR. There have been no changes that occurred during the Company's fiscal year ended December 31, 2019 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

AUDIT COMMITTEE

Our Board of Directors (the "Board") has established a separately-designated independent Audit and Risk Committee (the "Audit Committee") of the Board in accordance with Section 3(a)(58)(A) of the Exchange Act for the purpose of overseeing our accounting and financial reporting processes and the audits of our annual financial statements. As at the date of this annual report, the Audit Committee was comprised of Gordon Keep, Christian Milau (Chair) and Ken Pickering. The Board has determined that each of the members of the Audit Committee is independent as determined under Rule 10A-3 of the Exchange Act and Section 803 of the NYSE American LLC Company Guide.

AUDIT COMMITTEE FINANCIAL EXPERT

Our Board has determined that Mr. Christian Milau is an audit committee financial expert (as that term is defined in Item 407 of Regulation S-K under the Exchange Act) and is an independent director under applicable securities laws and the listing requirements of the NYSE American LLC.

PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table sets forth information regarding amounts billed to us by our independent auditor for each of our last two fiscal years ended December 31 in Canadian dollars:

	2019	2018
Audit Fees	$ 303,000	$ 110,000
Audit-Related Fees	–	–
Tax Fees	–	–
All Other Fees	–	–
Total	**$ 303,000**	**$ 110,000**

Audit Fees

Audit fees are the aggregate fees billed by our independent auditor for the audit of our annual consolidated financial statements, reviews of interim consolidated financial statements and attestation services that are provided in connection with statutory and regulatory filings or engagements.

Audit-Related Fees

Audit–Related Fees include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

Tax Fees

Tax fees are fees for tax compliance and tax advice on actual or contemplated transactions.

All Other Fees

All other fees relate to services other than the audit fees, audit-related fees and tax fees described above.

Audit Committee Pre-Approval Policies

From time to time, management of the Company recommends to and requests approval from the audit committee for audit and non-audit services to be provided by the Company's auditor. The audit committee routinely considers such requests at committee meetings, and if acceptable to a majority of the audit committee members, pre-approves such audit and non-audit services by a resolution authorizing management to engage the Company's auditor for such non-audit services, with set maximum dollar amounts for each itemized service. During such deliberations, the audit committee assesses, among other factors, whether the non-audit services requested would be considered "prohibited services" as contemplated by the SEC, and whether the non-audit services requested and the fees related to such services could impair the independence of the auditor.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

CONTRACTUAL OBLIGATIONS

The following table lists information as of December 31, 2019 with respect to our known contractual obligations in thousands of Canadian dollars:

Contractual obligation	**Total ('000)**	**Payments due by period ('000)**		
		Less than 1 Year	**Between 1 and 3 years**	**Between 3 and 5 years**
Long term debt obligations	$ –	$ –	$ –	$ –
Lease obligations [1]	1,618	391	884	343
Purchase obligations	–	–	–	–
Other long term liabilities [1, 2]	6,851	6,851	–	–
Total	**$ 8,469**	**$ 7,242**	**$ 884**	$ 343

Notes

1. The majority of the amounts are to be paid by the Company in US dollars, and represent the undiscounted lease payments to be made in respect of right-of-use assets recognized in the audited consolidated financial statements for the year. The conversion rate employed in the table was the year end rate of Cdn$1.2990 / US dollar.

2. Relates to the final annual instalment of US$5,274 in additional fees due to legal counsel on the joint settlement with the EPA in May 2017 that are due on or before December 24, 2020.

The term purchase obligation means an agreement to purchase goods or services that is enforceable and legally binding on the registrant that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction.

CODE OF ETHICS

We have adopted a Code of Ethics that applies to our officers, employees and directors and promotes, among other things, honest and ethical conduct. The Code of Ethics meets the requirements for a "code of ethics" within the meaning of that term in Form 40-F. The Code of Ethics was updated in 2007, 2009, 2012 and again in 2013 and is contained in the the Corporate Governance Policies and Procedures Manual in Appendix 4 which is available for download from the Company's website under Corporate at www.northerndynastyminerals.com.

No substantive amendments were made to the Company's Code of Ethics during the fiscal year ended December 31, 2019, and no waivers of the Company's Code of Ethics were granted to any principal officer of the Company or any person performing similar functions during the fiscal year ended December 31, 2019.

NYSE AMERICAN EQUITIES CORPORATE GOVERNANCE

The Company's common shares are listed for trading on the NYSE American Exchange ("NYSE American"). Section 110 of the NYSE American LLC Company Guide permits NYSE American to consider the laws, customs and practices of their home country in relaxing certain NYSE American listing criteria otherwise applicable to foreign issuers, and grants exemptions from NYSE American listing criteria based on these considerations. A company seeking relief under these provisions is required to provide written certification from independent local counsel that the non-complying practice is not prohibited by home country law. A description of the significant ways in which the Company's governance practices differ from those followed by United States domestic companies pursuant to NYSE American standards is contained on the Company's website at www.northerndynastyminerals.com.

MINE SAFETY DISCLOSURE

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (" **Dodd-Frank Act**"), issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities under the regulation of the Federal Mine safety and Health Administration under the Federal Mine Safety and Health Act of 1977. The Company was not the operator of a mine in the United States during the fiscal year ended December 31, 2019.

UNDERTAKING

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

The Company previously filed an Appointment of Agent for Service of Process and Undertaking on Form F-X signed by the Company and its agent for service of process with respect to the class of securities in relation to which the obligation to file this annual report arises, which Form F-X is incorporated herein by reference. Any change to the name or address of the Company's agent for service shall be communicated promptly to the Commission by amendment to Form F-X referencing the file number of the Company.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Company certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 31, 2020.

NORTHERN DYNASTY MINERALS LTD.

By: */s/ Ronald W. Thiessen*

Ronald W. Thiessen
Chief Executive Officer

EXHIBIT INDEX

Exhibit Number	Exhibit Description
99.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.3	Certification of Chief Executive Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.4	Certification of Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.5	Audited consolidated financial statements of the Company and notes thereto as at and for the years ended December 31, 2019, and 2018, together with the report of the Independent Registered Public Accounting Firm thereon
99.6	Management's Discussion and Analysis for the year ended December 31, 2019
99.7	Annual Information Form of the Company for the year ended December 31, 2019
99.8	Consent of Deloitte LLP, Independent Registered Public Accounting Firm
99.9	Consent of J. David Gaunt, P.Geo.
99.10	Consent of James Lang, P.Geo.
99.11	Consent of Eric Titley, P.Geo.
99.12	Consent of Ting Lu, P.Eng.
99.13	Consent of Stephen Hodgson, P.Eng.

EXHIBIT 99.1

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Ronald W. Thiessen, certify that:

(1) I have reviewed this annual report on Form 40-F of **Northern Dynasty Minerals Ltd.** ;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

(4) The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

(5) The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 31, 2020

By: /s/ *R. Thiessen*
Name: Ronald W. Thiessen
Title: Chief Executive Officer

EXHIBIT 99.2

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Mark Peters, certify that:

(1) I have reviewed this annual report on Form 40-F of **Northern Dynasty Minerals Ltd.** ;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

(4) The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

(5) The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 31, 2020

By: /s/ *M. Peters*
Name: Mark Peters
Title: Chief Financial Officer

EXHIBIT 99.3

CERTIFICATION

PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Ronald W. Thiessen, Chief Executive Officer of **Northern Dynasty Minerals Ltd.** (the "Company"), hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Annual Report on Form 40-F of the Company for the fiscal year ended **December 31, 2019** (the "Annual Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: */s/ R. Thiessen*
Name: Ronald W. Thiessen
Title: Chief Executive Officer

Date: March 31, 2020

This written statement is being furnished to the Securities and Exchange Commission as an exhibit to the Company's Annual Report on Form 40-F. A signed original of this statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies this Annual Report on Form 40-F pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

EXHIBIT 99.4

CERTIFICATION

PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark Peters, Chief Financial Officer of **Northern Dynasty Minerals Ltd.** (the "Company"), hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Annual Report on Form 40-F of the Company for the fiscal year ended **December 31, 2019** (the "Annual Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: */s/ M. Peters*
Name: Mark Peters
Title: Chief Financial Officer

Date: March 31, 2020

This written statement is being furnished to the Securities and Exchange Commission as an exhibit to the Company's Annual Report on Form 40-F. A signed original of this statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies this Annual Report on Form 40-F pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

Exhibit 99.5



CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018

(Expressed in thousands of Canadian Dollars)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Northern Dynasty Minerals Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Northern Dynasty Minerals Ltd. and subsidiaries (the "Company") as of December 31, 2019 and 2018, the related consolidated statements of comprehensive loss, changes in equity, and cash flows, for each of the two years in the period ended December 31, 2019, and the related notes (collectively referred to as the "financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and its financial performance and its cash flows for each of the two years in the period ended December 31, 2019, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company incurred a consolidated net loss of $69 million during the year ended December 31, 2019 and, as of that date, the Company had a working capital deficit of $0.2 million and the consolidated deficit was $556 million. These conditions, along with other matters as set forth in Note 1, raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/Deloitte LLP

Chartered Professional Accountants
Vancouver, Canada
March 30, 2020

We have served as the Company's auditor since 2009.

Northern Dynasty Minerals Ltd.

Consolidated Statements of Financial Position

(Expressed in thousands of Canadian Dollars)

	Notes	December 31 2019	December 31 2018
ASSETS			
Non-current assets			
Restricted Cash	5(b)	$ 805	$ 830
Mineral property, plant and equipment	3	138,867	144,835
Total non-current assets		139,672	145,665
Current assets			
Amounts receivable and prepaid expenses	4	914	1,387
Cash and cash equivalents	5(a)	14,038	14,872
Total current assets		14,952	16,259
Total Assets		**$ 154,624**	**$ 161,924**
EQUITY			
Capital and reserves			
Share capital	6	$ 587,448	$ 517,327
Reserves		107,163	117,796
Deficit		(556,106)	(486,913)
Total equity		138,505	148,210
LIABILITIES			
Non-current liabilities			
Trade and other payables	10	934	7,194
Total non-current liabilities		934	7,194
Current liabilities			
Warrant liabilities	7	43	–
Loans payable	8	1,360	–
Payables to related parties	9	1,095	585
Trade and other payables	10	12,687	5,935
Total current liabilities		15,185	6,520
Total liabilities		16,119	13,714
Total Equity and Liabilities		**$ 154,624**	**$ 161,924**

Nature and continuance of operations (note 1)
Commitments (note 16)
Events after the reporting period (note 17)

The accompanying notes are an integral part of these consolidated financial statements.

These consolidated financial statements are signed on the Company's behalf by:

/s/ Ronald W. Thiessen

Ronald W. Thiessen
Director

/s/ Christian Milau

Christian Milau
Director

Northern Dynasty Minerals Ltd.

Consolidated Statements of Comprehensive Loss

(Expressed in thousands of Canadian Dollars, except for share information)

	Notes	Year ended December 31 **2019**	2018
Expenses			
Exploration and evaluation expenses	12	$ 53,014	$ 50,409
General and administrative expenses	12	9,365	8,652
Legal, accounting and audit		2,416	2,419
Share-based compensation	6(d)-(f)	3,970	4,734
Loss from operating activities		68,765	66,214
Foreign exchange loss (gain)		544	(807)
Interest income		(237)	(684)
Finance expense	8, 10	134	–
Other income or gains	7, 13(b)	(13)	(669)
Recognition of non-refundable early option price installment	13(a)	–	(48,097)
Loss before tax		69,193	15,957
Deferred income tax expense (recovery)		–	–
Net loss		**69,193**	**15,957**
Other comprehensive loss (income)			
Items that may be subsequently reclassified to net loss			
Foreign exchange translation difference	6(g)	6,321	(10,752)
Other comprehensive loss (income)		**6,321**	**(10,752)**
Total comprehensive loss		**$ 75,514**	**$ 5,205**
Basic and diluted loss per common share	11	$ 0.19	$ 0.05

The accompanying notes are an integral part of these consolidated financial statements.

Northern Dynasty Minerals Ltd.

Consolidated Statements of Cash Flows

(Expressed in thousands of Canadian Dollars)

	Notes	Year ended December 31 2019	2018
Operating activities			
Net loss		$ (69,193)	$ (15,957)
Non-cash or non operating items			
Depreciation	3	647	234
Sale of royalty		(6)	(31)
Interest accrued on loans payable	8	14	–
Interest income		(237)	(684)
Loss on revaluation of warrant liabilities		(7)	–
Non-refundable early option price installment	13(a)	–	(48,097)
Share-based compensation		3,970	4,734
Unrealized exchange loss (gain)		125	(561)
Changes in working capital items			
Amounts receivable and prepaid expenses		481	(123)
Trade and other payables		(158)	(3,496)
Payables to related parties		(380)	(121)
Net cash used in operating activities		(64,744)	(64,102)
Investing activities			
Acquisition of plant and equipment		–	(20)
Proceeds from sale of royalty	13(b)	6	31
Interest received on cash and cash equivalents		214	641
Net cash from investing activities		220	652
Financing activities			
Proceeds from issuance of shares	6(b)	57,811	–
Transaction costs in the issuance of shares	6(b)	(5,326)	–
Proceeds from private placement of shares	6(b)	8,061	–
Transaction costs for the private placement of shares	6(b)	(150)	–
Proceeds from private placement of special warrants	6(b)	–	8,175
Transaction costs for the private placement of special warrants	6(b)	(2)	(232)
Proceeds from the exercise of share purchase options and warrants	6(c)-(d)	791	2,656
Receipt of loans	8	2,317	–
Payments of principal portion of lease liabilities		(354)	–
Subscriptions received for private placement	6(b)	699	–
Costs for private placement not completed at year end	6(b)	(6)	–
Withholding taxes paid on equity-settled restricted share units	6(f)	(9)	(7)
Net cash from financing activities		63,832	10,592
Net decrease in cash and cash equivalents		(692)	(52,858)
Effect of exchange rate fluctuations on cash and cash equivalents		(142)	572
Cash and cash equivalents - beginning balance		14,872	67,158
Cash and cash equivalents - ending balance	5(a)	**$ 14,038**	**$ 14,872**

Supplementary cash flow information (note 5(a))

The accompanying notes are an integral part of these consolidated financial statements.

Northern Dynasty Minerals Ltd.

Consolidated Statements of Changes in Equity

(Expressed in thousands of Canadian Dollars, except for share information)

	Notes	Share capital		Reserves						
		Number of shares (note 6(a))	Amount	Equity - settled share-based compensation reserve	Foreign currency translation reserve (note 6(g))	Investment revaluation reserve	Share purchase warrants (note 6(c))	Subscriptions received for shares (note 6(b))	Deficit	Total equity
Balance at January 1, 2018		308,237,856	$513,304	$ 62,404	$ 27,934	$ (2)	$ 4,832	$ –	$(470,971)	$ 137,501
Effect of change in accounting policy for IFRS 9		–	–	–	–	(15)	–	–	15	–
Balance at January 1, 2018 - as restated		308,237,856	$513,304	$ 62,404	$ 27,934	$ (17)	$ 4,832	$ –	$(470,956)	$ 137,501
Shares issued on exercise of options per option plan	6(d)	800,499	408	–	–	–	–	–	–	408
Shares issued upon exercise of warrants	6(c)	3,944,759	2,248	–	–	–	–	–	–	2,248
Shares issued pursuant to restricted share unit plan	6(f)	434,742	322	–	–	–	–	–	–	322
Fair value allocated to shares issued on options exercised per plan	6(d)	–	210	(210)	–	–	–	–	–	–
Fair value and costs allocated to share capital on exercise of warrants	6(c)	–	835	–	–	–	(835)	–	–	–
Cash settlement of tax on issue of equity-settled restricted share units	6(f)	–	–	(7)	–	–	–	–	–	(7)
Special warrants issued net of transaction costs	6(b)	–	–	–	–	–	8,192	–	–	8,192
Share-based compensation	6(d)-(f)	–	–	4,751	–	–	–	–	–	4,751
Net loss		–	–	–	–	–	–	–	(15,957)	(15,957)
Other comprehensive income net of tax		–	–	–	10,752	–	–	–	–	10,752
Total comprehensive income										(5,205)
Balance at December 31, 2018		**313,417,856**	**$517,327**	**$ 66,938**	**$ 38,686**	**$ (17)**	**$ 12,189**	**$ –**	**$(486,913)**	**$ 148,210**
Balance at January 1, 2019		313,417,856	$517,327	$ 66,938	$ 38,686	$ (17)	$ 12,189	$ –	$(486,913)	$ 148,210
Shares issued on exercise of options per option plan	6(d)	1,185,666	641	–	–	–	–	–	–	641
Shares issued on exercise of options not issued per option plan	6(c)	104,450	40	–	–	–	–	–	–	40
Shares issued upon exercise of warrants	6(c)	200,075	110	–	–	–	–	–	–	110
Shares issued pursuant to restricted share unit plan	6(f)	111,086	174	(122)	–	–	–	–	–	52
Fair value allocated to shares issued on exercise of options and warrants	6(c)-(d)	–	618	(593)	–	–	(25)	–	–	–
Shares issued, net of transactions costs	6(b)	87,477,084	52,435	–	–	–	–	–	–	52,435
Shares issued on conversion of special warrants, net of transaction costs	6(b)	10,150,322	8,192	–	–	–	(8,192)	–	–	–
Shares issued pursuant to private placements, net of transaction costs	6(b)	10,296,141	7,911	–	–	–	–	–	–	7,911
Share-based compensation	6(d)-(f)	–	–	3,927	–	–	–	–	–	3,927
Subscriptions received for private placement, net of transaction costs	6(b)	–	–	–	–	–	–	693	–	693
Net loss		–	–	–	–	–	–	–	(69,193)	(69,193)
Other comprehensive loss net of tax		–	–	–	(6,321)	–	–	–	–	(6,321)

Total comprehensive loss									(75,514)
Balance at December 31, 2019	**422,942,680**	**$ 587,448**	**$ 70,150**	**$ 32,365**	**$ (17)**	**$ 3,972**	**$ 693**	**$ (556,106)**	**$ 138,505**

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Northern Dynasty Minerals Ltd. (the "Company") is incorporated under the laws of the Province of British Columbia, Canada, and its principal business activity is the exploration of mineral properties. The Company is listed on the Toronto Stock Exchange ("TSX") under the symbol "NDM" and on the NYSE American Exchange ("NYSE American") under the symbol "NAK". The Company's corporate office is located at 1040 West Georgia Street, 15th floor, Vancouver, British Columbia.

The consolidated financial statements ("Financial Statements") of the Company as at and for the year ended December 31, 2019, include financial information for the Company and its subsidiaries (note 2(d)) (together referred to as the "Group" and individually as "Group entities"). The Company is the ultimate parent. The Group's core mineral property interest is the Pebble Copper-Gold-Molybdenum Project (the "Pebble Project") located in Alaska, United States of America ("USA" or "US"). All US dollar amounts when presented are expressed in thousands, unless otherwise stated.

The Group is in the process of exploring and developing the Pebble Project and has not yet determined whether the Pebble Project contains mineral reserves that are economically recoverable. The Group's continuing operations and the underlying value and recoverability of the amounts shown for the Group's mineral property interests, is entirely dependent upon the existence of economically recoverable mineral reserves; the ability of the Group to obtain financing to complete the exploration and development of the Pebble Project; the Group obtaining the necessary permits to mine; and future profitable production or proceeds from the disposition of the Pebble Project.

During the year ended December 31, 2019, the Company raised cash net cash proceeds of $52,485 and $7,911 from the issuance and private placements of common shares respectively (note 6(b)), and $791 from the exercise of share purchase options and warrants (notes 6(c)-(d)). The Group also received loans of $2,317 pursuant to a non-revolving credit facility (note 8) which were repaid subsequent to the reporting period (note 17).

As at December 31, 2019, the Group has $14,038 (December 31, 2018 – $14,872) in cash and cash equivalents for its operating requirements and a working capital deficiency of $233 (refer note 17). These financial statements have been prepared on the basis of a going concern, which assumes that the Group will be able to raise sufficient funds to continue its exploration and development activities and satisfy its obligations as they come due. For the years ended December 31, 2019 and 2018, the Group incurred a net loss of $69,193 and $15,957, respectively, and has a deficit of $556,106 as at December 31, 2019. The Group has prioritized the allocation of its financial resources in order to meet key corporate and Pebble Project expenditure requirements in the near term. Additional financing will be required in order to progress any material expenditures at the Pebble Project and for working capital requirements. Additional financing may include any of or a combination of debt and equity and/or contributions from possible new Pebble Project participants. There can be no assurances that the Group will be successful in obtaining additional financing. If the Group is unable to raise the necessary capital resources and generate sufficient cash flows to meet obligations as they come due, the Group may, at some point, consider reducing or curtailing its operations. As such, there is material uncertainty that raises substantial doubt about the Group's ability to continue as a going concern.

The Group through the Pebble Partnership initiated federal and state permitting for the Pebble Project under the National Environmental Protection Act ("NEPA"), by filing documentation for a Clean Water Act ("CWA") 404 permit with the US Army Corps of Engineers ("USACE") in December 2017. The USACE published a draft Environmental Impact Statement ("Draft EIS") in February 2019 and completed a 120-day public comment period on the Draft EIS on July 2, 2019. On July 30, 2019, the US Environmental Protection Agency announced that it has taken action to withdraw a Proposed Determination initiated under Section 404(c) of the CWA in 2014, which attempted to pre-emptively veto the Pebble Project before it received an objective, scientific regulatory review under NEPA.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"s) that are effective for the Group's reporting for the year ended December 31, 2019. These Financial Statements were authorized for issue by the Board of Directors on March 26, 2020.

(b) Basis of Preparation

These Financial Statements have been prepared on a historical cost basis using the accrual basis of accounting, except for cash flow information and for financial instruments classified as fair value through other comprehensive income, which are stated at their fair value (notes 2(f)). The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements with exception to the changes to accounting policies noted in below.

(c) Changes in Accounting Standards

New and amended IFRS standards that are effective for the current year

The Group adopted IFRS 16 effective January 1, 2019, using the modified retrospective approach and therefore comparative information for the 2018 reporting period has not been restated and continues to be reported under IAS 17, *Leases*, and IFRIC 4, *Determining Whether an Arrangement Contains a Lease*, as permitted under the specific transitional provisions in the standard.

IFRS 16 introduces a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognized right-of-use assets ("ROU Assets"), representing its rights to use the underlying assets, and lease liabilities, representing its obligation to make lease payments.

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, and leases of low-value assets. For these leases, the Group recognizes the lease payments as an expense in loss on a straight-line basis over the term of the lease.

The Group recognizes a lease liability and a right-of-use asset at the lease commencement date.

The lease liability is initially measured as the present value of future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The incremental borrowing rate is the rate which the Group would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

- payments of penalties for terminating the lease, if the Group expects to exercise an option to terminate the lease.

The lease liability is subsequently measured by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

The ROU Asset is initially measured at cost, which comprises the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The ROU Asset is subsequently measured at cost, less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. It is depreciated from the commencement date to the earlier of the end of its useful life or the end of the lease term using either the straight-line or units-of-production method depending on which method more accurately reflects the expected pattern of consumption of the future economic benefits.

Each lease payment is allocated between the lease liability and finance cost. The finance cost is charged to loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

On the balance sheet, the ROU Assets are presented in "*Mineral property, plant and equipment*" (note 3) and the lease liabilities are presented in "*Trade and other payables*" (note 10).

Transition to IFRS 16

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at January 1, 2019. ROU Assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments, of which there were none.

The Group used the following practical expedients when applying IFRS 16:

- Applied the exemption not to recognize ROU Assets and lease liabilities for short-term leases that have a lease term of twelve months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term;
- Excluded initial direct costs from measuring the ROU Asset on initial application; and
- Used hindsight when determining the lease term if the contract contains options to extend.

The Group had no leases classified as finance leases under IAS 17.

Incremental ROU Assets and lease liabilities of $1,154 were recognized as of January 1, 2019, with no impact on accumulated deficit. The weighted average incremental borrowing rate applied to the lease liabilities was 10%.

The following table reconciles the Group's operating lease commitments at December 31, 2018, as previously disclosed in the 2018 annual financial statements, to the lease liabilities recognized on initial application of IFRS 16 as at January 1, 2019:

		Adoption of IFRS 16
Operating lease commitments as at December 31, 2018	$	1,284
Adjustments on adoption of IFRS 16		235
Operating lease commitments – December 31, 2018		1,519
IFRS 16 recognition exemption for short-term leases (note 14(b))		(158)
Effect from discounting using the incremental borrowing rate – January 1, 2019		(207)
Lease liabilities recognized at January 1, 2019		1,154
Current lease liability (note 10)		389
Non-current lease liability (note 10)		765
Lease liabilities recognized at January 1, 2019	$	1,154

(d) Basis of Consolidation

These Financial Statements incorporate the financial statements of the Company, the Company's subsidiaries, and entities controlled by the Company and its subsidiaries listed below:

Name of Subsidiary	Place of Incorporation	Principal Activity	Percent owned
3537137 Canada Inc. [1]	Canada	Holding Company. Wholly-owned subsidiary of the Company.	100%
Pebble Services Inc.	Nevada, USA	Management and services company. Wholly-owned subsidiary of the Company.	100%
Northern Dynasty Partnership	Alaska, USA	Holds 99.9% interest in the Pebble Partnership and 100% of Pebble Mines.	100% (indirect)
Pebble Limited Partnership ("Pebble Partnership")	Alaska, USA	Limited Partnership. Ownership and Exploration of the Pebble Project.	100% (indirect)
Pebble Mines Corp. ("Pebble Mines")	Delaware, USA	General Partner. Holds 0.1% interest in the Pebble Partnership.	100% (indirect)
Pebble West Claims Corporation [2]	Alaska, USA	Holding Company. Subsidiary of the Pebble Partnership.	100% (indirect)
Pebble East Claims Corporation [2]	Alaska, USA	Holding Company. Subsidiary of the Pebble Partnership.	100% (indirect)
Pebble Pipeline Corporation	Alaska, USA	Holding Company. Subsidiary of the Pebble Partnership.	100% (indirect)
U5 Resources Inc.	Nevada, USA	Holding Company. Wholly-owned subsidiary of the Company.	100%
Cannon Point Resources Ltd.	British Columbia, Canada	Not active. Wholly-owned subsidiary of the Company.	100%
MGL Subco Ltd. ("MGL")	British Columbia, Canada	Not active. Wholly-owned subsidiary of the Company.	100%
Delta Minerals Inc. ("Delta")	British Columbia, Canada	Not active. Wholly-owned subsidiary of MGL.	100% (indirect)

Name of Subsidiary	Place of Incorporation	Principal Activity	Percent owned
Imperial Gold Corporation ("Imperial Gold")	British Columbia, Canada	Not active. Wholly-owned subsidiary of Delta.	100% (indirect)
Yuma Gold Inc.	Nevada, USA	Not active. Wholly-owned subsidiary of Imperial Gold.	100% (indirect)

Notes:

1. Holds a 20% interest in the Northern Dynasty Partnership. The Company holds the remaining 80% interest.

2. Both entities together hold 2,402 claims comprising the Pebble Project.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Company has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee); exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.

Intra-Group balances and transactions, including any unrealized income and expenses arising from intra-Group transactions, are eliminated in preparing the Financial Statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(e) Foreign Currencies

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Group. The functional currency of U5 Resources Inc., Pebble Services Inc., Pebble Mines Corp., the Pebble Partnership and its subsidiaries, and Yuma Gold Inc. is the US dollar and for all other entities within the Group, the functional currency is the Canadian dollar. The functional currency determinations were conducted through an analysis of the factors for consideration identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates* .

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The results and financial position of entities within the Group which have a functional currency that differs from that of the Group are translated into Canadian dollars as follows: (i) assets and liabilities for each statement of financial position are translated at the closing exchange rate at that date; (ii) income and expenses for each income statement are translated at average exchange rates for the period; and (iii) the resulting exchange differences are included in the foreign currency translation reserve within equity.

(f) Financial Instruments

On initial recognition, a financial asset is classified as measured at amortized cost; fair value through other comprehensive income ("FVTOCI") (debt / equity investment); or fair value through profit or loss ("FVTPL"). A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Classification of financial assets

Amortized cost

For a financial asset to be measured at amortized cost, it needs to meet both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets at amortized cost comprise of restricted cash, amounts receivable, and cash and cash equivalents.

Fair value through other comprehensive income ("FVTOCI")

For a debt investment to be measured at FVTOCI, it needs to meet both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments at FVTOCI

On initial recognition, the Group may irrevocably elect to present subsequent changes in the instrument's fair value in other comprehensive income ("OCI") provided it is not held for trading. This election is made on an investment-by-investment basis.

Fair Value through profit or loss ("FVTPL")

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortized cost is reduced by impairment losses (see below). Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVTOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVTOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as FVTOCI, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

Financial liabilities

Non-derivative financial liabilities:

The Group's non-derivative financial liabilities comprise of trade and other payables, loans payable and payables to related parties.

All financial liabilities that are not held for trading or designated as at FVTPL are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Derivative financial assets and liabilities:

The Group's warrant liabilities are derivative financial liabilities and have been designated as at FVTPL (note 7).

On date of issue, the warrant liabilities were recognized at fair value as a financing cost with the subsequent change in fair value recognized in loss.

(g) Exploration and Evaluation Expenditure

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the acquisition date fair value of exploration and evaluation assets acquired in a business combination or an asset acquisition. Exploration and evaluation expenditures are expensed as incurred except for expenditures associated with the acquisition of exploration and evaluation assets through a business combination or an asset acquisition. Costs incurred before the Group has obtained the legal rights to explore an area are expensed.

Acquisition costs, including general and administrative costs, are only capitalized to the extent that these costs can be related directly to operational activities in the relevant area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

Exploration and evaluation ("E&E") assets are assessed for impairment only when facts and circumstances suggest that the carrying amount of an E&E asset may exceed its recoverable amount and when the Group has sufficient information to reach a conclusion about technical feasibility and commercial viability.

Industry-specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure on further exploration and evaluation activities is neither budgeted nor planned;
- title to the asset is compromised;
- adverse changes in the taxation and regulatory environment;
- adverse changes in variations in commodity prices and markets; and
- variations in the exchange rate for the currency of operation.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective assets.

(h) Mineral property, plant and equipment

Mineral property, plant and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of mineral property, plant and equipment consists of the acquisition costs transferred from E&E assets, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, including costs to further delineate the ore body, development and construction costs, removal of overburden to initially expose the ore body, an initial estimate of the costs of dismantling, removing the item and restoring the site on which it is located and, if applicable, borrowing costs.

Mineral property acquisition and development costs are not currently depreciated as the Pebble Project is still in the development stage and no saleable minerals are being produced.

The cost of an item of plant and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided at rates calculated to write off the cost of plant and equipment, less their estimated residual value, using the declining balance method at various rates ranging from 20% to 30% per annum.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of equipment consists of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Residual values and estimated useful lives are reviewed at least annually.

(i) Impairment of Non-Financial Assets

At the end of each reporting period the carrying amounts of the Group's non-financial assets are reviewed to determine whether there is any indication that these assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount. This increase in the carrying amount is limited to the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss. The Group has not recorded any impairment charges in the years presented.

(j) Share Capital, Special Warrants, Warrants and Subscriptions for Shares

Common shares ("shares"), special warrants, warrants and subscriptions received for shares are classified as equity. Transaction costs directly attributable to the issue of these instruments are recognized as a deduction from equity, net of any tax effects. Where units comprising of shares and warrants are issued the proceeds and any transaction costs are apportioned between the shares and warrants according to their relative fair values.

Upon conversion of special warrants and warrants into shares and the issue of shares for subscriptions received, the carrying amount, net of a pro rata share of the transaction costs, is transferred to share capital.

(k) Share-based Payment Transactions

Equity-settled share-based Option Plan

The Group operates an equity-settled share-based option plan for its employees and service providers (note 6(d)). The fair value of share purchase options granted is recognized as an employee or consultant expense with a corresponding increase in the *equity-settled share-based payments reserve* in equity (the "Equity Reserve"). An individual is classified as an employee when the individual is an employee for legal or tax purposes ("direct employee") or provides services similar to those performed by a direct employee.

The fair value is measured at grant date for each tranche, which is expensed on a straight line basis over the vesting period, with a corresponding increase in the Equity Reserve. The fair value of share purchase options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the share purchase options were granted and forfeiture rates as appropriate. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share purchase options that are expected to vest.

Deferred Share Unit ("DSU") Plan

The Group has a DSU plan for its non-executive directors. The Group determines whether to account for DSUs as equity-settled or cash-settled based on the terms of the contractual arrangement. The fair value of DSUs granted is recognized as an employee expense with a corresponding increase in the Equity Reserve if deemed equity-settled or a liability is raised if cash-settled at grant date.

The fair value is estimated using the TSX quoted market price of the Company's common shares at grant date and expensed over the vesting period as share-based compensation in loss until they are fully vested. If the DSUs are cash-settled, the expense and liability are adjusted each reporting period for changes in the TSX quoted market price of the Company's common shares.

Restricted Share Unit ("RSU") Plan

The Group has a RSU plan for its employees, executive directors and eligible consultants of the Group. The Group determines whether to account for the RSUs as equity-settled or cash-settled based on the terms of the contractual arrangement. The fair value of RSUs is recognized as an employee expense with a corresponding increase in the Equity Reserve if deemed equity –settled or a liability is raised if cash settled at grant date.

The fair value is estimated using the number of RSUs and the quoted market price of the Company's common shares at the grant date. It is then expensed over the vesting period with the credit recognized in equity in the Equity Reserve. If cash-settled, the expense and liability are adjusted each reporting period for changes in the quoted market value of the Company's common shares.

(l) Income Taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax is provided using the balance sheet liability method, providing for unused tax loss carry forwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(m) Restoration, Rehabilitation, and Environmental Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds, creating an expense recognized in loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Group have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Group are not predictable.

The Group has no material restoration, rehabilitation and environmental obligations as the disturbance to date is not significant. As a condition for the issue of the Miscellaneous Land Use Permit at the Pebble Project, the Pebble Partnership has posted a bond with the Alaskan regulatory authorities as a performance guarantee for any potential reclamation liability (note 5(b)).

(n) Loss per Share

The Group presents basic and diluted loss per share information for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares and any fully prepaid special warrants outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

(o) Segment Reporting

The Group operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties. The Group's core asset, the Pebble Project, is located in Alaska, USA.

(p) Significant Accounting Estimates and Judgments

The preparation of these Financial Statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These Financial Statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the Financial Statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Sources of estimation uncertainty

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

1. The Group uses the Black-Scholes option pricing model to calculate an estimate of the fair value of share purchase options and certain warrants granted during the year. In the case of share purchase options, the fair value calculated is used to determine share-based compensation that is included in loss for the year. With the warrants, the fair value calculated is used to value the warrant liabilities on the statement of financial position, with gains or losses being recognized in loss for the year. Inputs used in this model require subjective assumptions, including the expected price volatility from less than one year to five years. Changes in the subjective input assumptions can affect the fair value estimate. The weighted average assumptions applied are disclosed in Notes 6(d) and 7 respectively.

2. Significant assumptions about the future and other sources of estimation uncertainty are made in determining the provision for any deferred income tax expense that is included in the loss for the year and the composition of any deferred income tax liabilities included in the Statement of Financial Position.

Critical accounting judgments

These include:

1. In terms of IFRS 6, *Exploration for and Evaluation of Mineral Resources,* management determined that there were no circumstance and facts that indicated that testing the Group's mineral property interest ("MPI") for impairment was necessary.

2. Pursuant to IAS 21, *The Effects of Changes in Foreign Exchange Rates* ("IAS 21") in determining the functional currency of the parent and its subsidiaries, the Group used judgment in identifying the currency in which financing activities are denominated and the currency that mainly influences the cost of undertaking the business activities in each jurisdiction in which each entity operates.

3. The Group has employed judgement that going concern was an appropriate basis for the preparation of the Financial Statements, as the Group considered existing and future available financial resources in determining that such financial resources are able to meet key corporate and Pebble Project expenditure requirements for at least the next twelve months (note 1).

4. The Group used judgement in terms of accounting for leases in accordance with IFRS 16. IFRS 16 applies a control model to the identification of leases and the determination of whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a fixed period of time. In determining the appropriate lease term for a lease, the Group considered the right of either the lessee and lessor to terminate the lease without permission from the other party with no more than an insignificant penalty as well as whether the Group is reasonably certain to exercise the extension options on the contract.

3. MINERAL PROPERTY, PLANT AND EQUIPMENT

The Group's exploration and evaluation assets are comprised of the following:

Year ended December 31, 2019	Mineral Property interest [1]	Plant and equipment [2]	Total
Cost			
Beginning balance	$ 112,541	$ 1,374	$ 113,915
Impact of IFRS 16 adoption (note 2(c))	–	1,154	1,154
Beginning balance as restated	112,541	2,528	115,069
Additions	–	490	490
Ending balance	112,541	3,018	115,559
Accumulated depreciation			
Beginning balance	–	(968)	(968)
Depreciation [3]	–	(647)	(647)
Ending balance	–	(1,615)	(1,615)
Foreign currency translation difference	24,766	157	24,923
Net carrying value – December 31, 2019	$ 137,307	$ 1,560	$ 138,867

Year ended December 31, 2018	Mineral Property interest [1]	Plant and equipment	Total
Cost			
Beginning balance	$ 112,541	$ 1,354	$ 113,895
Additions	–	20	20
Ending balance	112,541	1,374	113,915
Accumulated depreciation			
Beginning balance	–	(734)	(734)
Depreciation [4]	–	(234)	(234)
Ending balance	–	(968)	(968)
Foreign currency translation difference	31,641	247	31,888
Net carrying value – December 31, 2018	$ 144,182	$ 653	$ 144,835

Notes to tables:

1. Comprises the Pebble Project, a contiguous block of 2,402 mineral claims covering approximately 417 square miles located in southwest Alaska, 17 miles (30 kilometers) from the villages of Iliamna and Newhalen, and approximately 200 miles (320 kilometers) southwest of the city of Anchorage.

2. Includes ROU Assets, which relate to the use of office space, hangers, yard storage, an office copier and one vehicle. The following reconciles ROU Assets for the year ended December 31, 2019:

	Land and Buildings	Equipment	Total
Beginning balance at January 1, 2019	$ 1,132	$ 22	$ 1,154
Additions	459	31	490
Ending balance	1,591	53	1,644
Depreciation	(411)	(9)	(420)
Foreign currency translation difference	(63)	(1)	(64)
Net carrying value – December 31, 2019	$ 1,117	$ 43	$ 1,160

3. ROU Asset depreciation of $224 is included in general and administrative expenses. The remainder is included in exploration and evaluation expenses.

4. Depreciation is included in exploration and evaluation expenses.

4. AMOUNTS RECEIVABLE AND PREPAID EXPENSES

	December 31 2019	December 31 2018
Sales tax receivable	$ 177	$ 69
Amounts receivable	239	769
Prepaid expenses	498	549
Total	$ 914	$ 1,387

5. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

(a) Cash and Cash Equivalents

The Group's cash and cash equivalents at December 31, 2019 and 2018, consisted of cash on hand and was invested in business and savings accounts.

Supplementary cash flow information

Non-cash investing and financing activities:

In the year ended December 31, 2019:

- 111,086 common shares were issued to settle the payout of restricted share units (note 6(f)).
- Share purchase warrants were issued as part of the financing fee paid to the underwriters in the June bought deal financing (note 6(b)).
- No additional consideration was received by the Group on the conversion of special warrants into shares (note6(b)).

In the year ended December 31, 2018:

- 434,742 common shares were issued to settle the payout of vested RSUs (note 6(f)).
- In the special warrant financing in December 2018, a cheque received for $249 for the purchase of 300,000 special warrants was only deposited after the reporting period on January 7, 2019.

(b) Restricted cash

The Group has cash deposited with a United States financial institution that has been pledged as collateral to the surety provider for the surety bond accepted by the Alaskan regulatory authorities in 2018 (see below). The cash deposit will be released once any reclamation work required has been performed and assessed by the Alaskan regulatory authorities. The cash is invested in a money market fund. For the year ended December 31, 2019, income of $15 (2018 – $8) respectively, has been recognized which has been re-invested.

During the year ended December 31, 2018, the Group posted a bond of US$2,000 with the Alaskan regulatory authorities for a performance guarantee related to any potential reclamation liability as a condition of the Miscellaneous Land Use Permit granted to the Pebble Partnership for its ongoing activities on the Pebble Project.

6. CAPITAL AND RESERVES

(a) Authorized Share Capital

At December 31, 2019, the authorized share capital comprised an unlimited (2018 – unlimited) number of common shares ("shares") with no par value.

(b) Financings

December 2019

Bought Deal

The Group completed a bought deal offering of 41,975,000 Shares at US$0.37 per share for gross proceeds of US$15,531 ($20,561). The Group incurred transaction costs of $1,909, which includes a 7.5% commission paid to the underwriters, and raised net proceeds of $18,652.

Subscriptions Received for Private Placement

With the offering discussed above, a concurrent private placement of up to US$5,000 was also announced. The Group received subscriptions for 1,426,500 shares in the private placement totalling $699. The private placement was only closed after the reporting period (note 17(a)). To December 31, 2019, transaction costs of $6 were incurred.

August 2019

Bought Deal

The Group completed a bought deal offering of 15,333,334 Shares at US$0.75 per share for gross proceeds of US$11,500 ($15,318). The Group incurred transaction costs of $1,215, which includes a 6% commission paid to the underwriters, and raised net proceeds of $14,103.

Private Placement

The Group completed a non-brokered private placement to investors of 2,866,665 shares for gross proceeds of approximately US$2,150 ($2,844). No commission or finder's fee were payable to the underwriters in connection to this private placement. After transaction costs of $7, the Group raised net proceeds of $2,837.

June 2019

Bought Deal

The Group completed a bought deal offering of 12,200,000 shares at US$0.41 per share for gross proceeds of US$5,002 ($6,594). The Group paid the underwriters a 6% commission and issued 244,000 non-transferable share purchase warrants ("Broker Warrants") to purchase shares at US$0.41 per share until June 24, 2020. After transaction costs of $818, which excludes the estimate for the cost of the Broker Warrants (see below), the Group raised net proceeds of $5,776.

As the Broker Warrants are denominated in US dollars, they have been treated as cash-settled warrant liabilities (note 7) and were valued at $50 upon initial recognition using the Black Scholes option pricing model based on the following assumptions: risk free rate of 1.45%, expected volatility of 72.9%, expected life of 1 year, share price of Cdn$0.61 and dividend yield of nil. The equivalent amount has been recognized as a financing cost.

Private Placement

The Group completed a non-brokered private placement to investors of 3,660,000 shares for a gross proceeds of approximately US$1,500 ($1,975). No commission or finder's fee were payable to the underwriters in connection to this private placement. After transaction costs of $4, the Group raised net proceeds of $1,971.

March 2019

Bought Deal

The Group completed a bought deal offering of 17,968,750 shares at US$0.64 per share for gross proceeds of US$11,500 ($15,337). The Group incurred transaction costs of $1,383, which includes a 6% commission paid to the underwriters, and raised net proceeds of $13,954.

Private Placement

The Group completed a private placement of 3,769,476 shares at $0.86 (US$0.64) per share for gross proceeds of approximately $3,242 (US$2,412). After transaction costs of $139, the Group raised net proceeds of $3,103.

February 2019

Conversion of Special Warrants

In February 2019, 10,150,322 special warrants issued in a private placement in December 2018 at a price of $0.83 (US$0.62) per special warrant for gross proceeds of $8,424; and net proceeds of $8,192 after transaction costs of $232 (refer also to note 5(a)), were converted into shares on a one-for-one basis for no additional consideration to the Group. Additional transaction costs of $2 were paid during the year.

(c) Share Purchase Warrants and Options not Issued under the Group's Incentive Plan

The following reconciles outstanding warrants and non-employee options (options that were not issued under the Group's incentive plan (see below)), each exercisable to acquire one share, for the year ended December 31, 2019 and 2018 respectively:

Continuity	Cannon Point options (note 1)	Mission Gold warrants (note 1)	Other warrants (note 2)	Special warrants (note 3)	Broker warrants (note 4)	Total
Beg. Balance	327,700	7,125,646	27,858,213	–	–	35,311,559
Issued	–	–	–	10,150,322	–	10,150,322
Exercised	–	(3,160,945)	(783,814)	–	–	(3,944,759)
Bal. Dec 31, 2018	327,700	3,964,701	27,074,399	10,150,322	–	41,517,122
Issued	–	–	466,666	–	244,000	710,666
Exercised	(104,450)	(200,075)	–	(10,150,322)	–	(10,454,847)
Bal. Dec 31, 2019	223,250	3,764,626	27,541,065	–	244,000	31,772,941

	Weighted Averages per option/warrant as at December 31					
2019						
Exercise price	$ 0.38	$ 0.55	$ 0.65	–	–	$ 0.64
Exercise price US dollars	–	–	–	–	US$ 0.41	US$ 0.41
Remaining life in years	2.40	0.52	1.45	–	0.48	1.33
2018						
Exercise price	$ 0.38	$ 0.55	$ 0.65	$ nil	–	$ 0.63
Remaining life in years	2.47	1.52	2.44	0.33	–	2.33

Notes to table:

1. Pursuant to the acquisition of Cannon Point Resources Ltd. ("Cannon Point") and Mission Gold Ltd. ("Mission Gold") in October 2015 and December 2015 respectively, the Group exchanged options and warrants outstanding in these companies for options and warrants to purchase shares in the Company.

2. Warrants were issued pursuant to the June 2016 prospectus financing, July 2016 private placement and the 2019 non-revolving term loan credit facility agreement (note 8).

3. The special warrants were issued in a private placement at an exercise price of $0.83 (US$0.62) per special warrant in December 2018 (note 6(b)).

4. The Broker warrants, which have a US dollar exercise price, were issued to the underwriters pursuant to the June 2019 prospectus financing (note 6(b)).

(d) Share Purchase Option Compensation Plan

The Group has a share purchase option plan approved by the Group's shareholders that allows the Board of Directors to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees, and service providers. The share purchase option plan (the "2017 Rolling Option Plan") is based on the maximum number of eligible shares (including any issuances from the Group's RSU and DSU plans) equaling a rolling percentage of up to 10% of the Company's outstanding Shares, calculated from time to time. Pursuant to the 2017 Rolling Option Plan, if outstanding share purchase options ("options") are exercised and the number of issued and outstanding shares of the Company increases, then the options available to grant under the plan increase proportionately (assuming there are no issuances under the RSU and DSU plans). The exercise price of each option is set by the Board of Directors at the time of grant but cannot be less than the market price, being the 5-day volume weighted average trading price calculated the day before the grant. Options can have a maximum term of five years and typically terminate 90 days following the termination of the optionee's employment or engagement. In the case of death or retirement, any outstanding vested options will expire the earlier of the expiry date or one year from date of death or retirement. The vesting period for options is at the discretion of the Board of Directors at the time the options are granted.
The following is reconciles the Group's options outstanding for the years ended December 31, 2019 and 2018 respectively:

Continuity of options	**Number of options**	**Weighted average exercise price ($/option)**
Beginning Balance	19,847,431	1.08
Granted	5,635,000	0.76
Expired	(18,500)	0.50
Exercised	(800,499)	0.51
Forfeited	(32,500)	1.44
Cancelled	(24,200)	1.51
Balance December 31, 2018	24,606,732	1.03
Granted	6,610,500	0.99
Expired	(4,235,000)	1.54
Exercised	(1,185,666)	0.54
Forfeited	(10,700)	0.82
Cancelled	(33,600)	1.10
Balance December 31, 2019	25,752,266	0.96

In the years ended December 31, 2019 and 2018 respectively, options were granted with a weighted average fair value estimated at $0.56 (2018 – $0.54) per option using the Black-Scholes option pricing model with the following assumptions:

Weighted Average Assumptions	**2019**	2018
Risk-free interest rate	1.39%	2.21%
Expected life	5.00 years	4.25 years
Expected volatility [1]	94.73%	95.60%
Grant date share price	$ 0.81	$ 0.78
Expected dividend yield	Nil	Nil

Note:

1. Expected volatility is based on the historical and implied volatility of the Company's share price on the TSX.

For the year ended December 31, 2019, the Group recognized share-based compensation ("SBC") on options of $3,898 (2018 – $4,656).

Details of options exercised during the current and prior year were as follows:

Year ended December 31, 2019	Number of options	Weighted average exercise price ($/option)	Weighted average market share price on exercise ($/option)
January 2019	125,000	0.49	0.87
February 2019	30,000	0.49	1.23
June 2019	39,000	0.49	0.59
July 2019	81,000	0.49	0.68
August 2019	856,666	0.55	0.90
September 2019	54,000	0.72	0.85
	1,185,666	0.54	0.88

Year ended December 31, 2018	Number of options	Weighted average exercise price ($/option)	Weighted average market share price on exercise ($/option)
January 2018	33,000	0.69	2.00
June 2018	11,000	0.50	0.75
July 2018	39,500	0.50	0.68
August 2018	33,500	0.50	0.75
September 2018	25,333	0.50	0.71
October 2018	650,666	0.50	0.70
November 2018	7,500	0.76	1.00
	800,499	0.51	0.76

The following tables summarizes information about the Group's options as at December 31, 2019 and 2018 respectively:

	Options outstanding		Options exercisable	
Exercise prices ($)	Number of options	Remaining contractual life (years)	Number of options	Remaining contractual life (years)
0.48	450,000	1.21	450,000	1.21
0.49	5,105,000	1.53	5,105,000	1.53
0.50	2,316,666	0.81	2,316,666	0.81
0.76	5,538,000	2.87	5,538,000	2.87
0.99	6,610,500	4.75	3,305,250	4.75
1.75	5,732,100	2.10	5,732,100	2.10
Total and weighted average contractual life per option	25,752,266	2.70	22,447,016	2.40

	Options outstanding		Options exercisable	
Exercise prices ($)	Number of options	Remaining contractual life (years)	Number of options	Remaining contractual life (years)
0.48	450,000	2.21	450,000	2.21
0.49	6,034,000	2.26	6,034,000	2.26
0.50	2,323,332	1.81	2,323,332	1.81
0.72	200,000	0.71	200,000	0.71
0.76	5,620,000	3.85	2,810,000	3.85
0.89	1,125,000	0.29	1,124,998	0.29
1.75	5,744,400	3.10	3,829,600	3.10
1.77	3,110,000	0.16	3,110,000	0.16
Total and weighted average contractual life per option	24,606,732	2.41	19,881,930	2.14

The weighted average exercise price for exercisable options as at December 31, 2019 was $0.95 (December 31, 2018 – $1.00) per option.

(e) Deferred Share Units ("DSUs")

The Group has a DSU plan approved by the Group's shareholders in 2015, which allows the Board, at its discretion, to award DSUs to non-executive directors for services rendered to the Group and also provides that non-executive directors may elect to receive up to 100% of their annual compensation in DSUs. The aggregate number of DSUs outstanding pursuant to the DSU plan may not exceed 2% of the issued and outstanding shares from time to time provided the total does not result in the total shares issuable under all the Group's share-based compensation plans (i.e. including share purchase option and RSU plans) exceeding 10% of the total number of issued outstanding shares. DSUs are payable when the non-executive director ceases to be a director including in the event of death. DSUs may be settled in shares issued from treasury, by the delivery to the former director of shares purchased by the Group in the open market, payment in cash, or any combination thereof, at the discretion of the Group.

In the years ended December 31, 2019 and 2018, there were no new grants of DSUs. At December 31, 2019, a total of 458,129 DSU were outstanding (2018 – 458,129).

(f) Restricted Share Units ("RSUs")

The following reconciles RSUs outstanding for the year ended December 31, 2019 and 2018 respectively:

Continuity of RSUs	Number of RSUs	Weighted average fair value ($/RSU)
Beginning Balance	506,495	2.24
Granted [1]	125,000	0.78
Shares issued	(434,742)	0.68
Balance December 31, 2018	196,753	1.27
Shares issued [1,2]	(111,086)	1.57
Withheld [1,2]	(85,667)	1.27
Balance December 31, 2019	–	–

Notes

1. The RSUs were granted on August 9, 2018, to an officer of the Group with an expiry date of December 2021 and an initial one-year vesting period from date of grant. The Group treated these RSUs as cash-settled given the cash settlement of a previous grant. In January 2019, the Group's Compensation Committee agreed with management that it was in the best interest of the Group to accelerate the vesting period to January 28, 2019. The Group settled the vested RSUs, by issuing 58,886 shares and withheld 66,114 RSUs to pay tax obligations.

2. During the year ended December 31, 2019, 71,752 RSUs, being the second and third tranches of 107,629 equity-settled RSUs that were granted in September 2017, were settled by issuing 52,200 shares, with the balance of 19,553 RSUs being withheld to pay tax obligations.

During the year ended December 31, 2019, the Group recognized $29 (2018 – $96) as SBC with a corresponding increase in the SBC Reserve for RSUs classified as equity-settled. Over the same period, for RSUs classified as cash-settled, the Group recognized $43 (2018 – decrease of $17) in SBC with a corresponding increase in the RSU liability (2018 – decrease). On the settlement of the cash-settled RSUs, the RSU liability was reduced to $nil with $58 transferred to share capital for shares issued with the remainder remitted to the tax authorities.

(g) Foreign Currency Translation Reserve

	December 31 2019	December 31 2018
Beginning balance	$ 38,686	$ 27,934
Foreign exchange translation differences incurred:		
(Loss) gain on translation of foreign subsidiaries	(6,321)	10,752
Ending balance	$ 32,365	$ 38,686

The foreign currency translation reserve represents accumulated exchange differences arising on the translation of the results of operations and net assets of the Group's subsidiaries with a US dollar functional currency, into the Group's presentation currency, the Canadian dollar.

7. WARRANT LIABILITIES

The Broker Warrants (note 6(c)) which were issued pursuant to the June 2019 public offering (note 6(b)), have a US dollar exercise price, which is not the functional currency of the Group, and as a result have been treated as cash-settled warrant liabilities. The warrant liabilities were recognized at fair value on date of issue as a financing cost with subsequent changes in fair value recognized in loss. The following table reconciles the change in fair value of the warrant liabilities:

	December 31 2019	December 31 2018
Beginning balance	$ –	$ –
Fair value on issue – financing cost	50	–
Fair value gain on revaluation	(7)	–
Ending balance	$ 43	$ –

The fair value at December 31, 2019 was estimated using the Black-Scholes option-pricing model with the following assumptions:

Assumptions	**2019**
Risk-free interest rate	1.57%
Expected volatility [1]	105.90%
Expected life	0.50 years
Share price on valuation date	$ 0.56
Expected dividend yield	Nil

Note

1. Expected volatility is based on the historical and implied volatility of the Company's share price on the TSX.

8. LOANS PAYABLE

	December 31 2019	December 31 2018
Loans provided - principal	$ 2,317	$ –
Accrued interest	14	–
Transferred to payables to related parties (note 9)	(971)	–
Total	$ 1,360	$ –

In November 2019, the Group entered into an unsecured non-revolving term loan credit facility agreement (the "Credit Facility") with a syndicate of lenders (the "Lenders"), two of whom are related parties, of up to $3,500. Funds advanced by the Lenders bear interest at 10% per annum, payable on repayment thereof. The funds including interest are to be repaid on a date that is the earlier of i) May 25, 2020 and ii) the date the Group has completed one or more equity or debt financings raising an aggregate of US$20,000. Pursuant to the terms of the Credit Facility, the Group may submit a drawdown request to the Lenders for a minimum of $500 per drawdown at any time until the repayment date.

As consideration for entering into the Credit Facility, the Group issued to the Lenders, on a pro rata basis, 466,666 share purchase warrants, each warrant exercisable into one share at the exercise price of $0.75 per share until December 2, 2021, of which 153,333 warrants were issued to the two related parties.

As of December 31, 2019, the Group had drawn $2,317 from the Credit Facility, of which $967 was received from the two related parties. Accrued interest, which includes $4 owed to the two related parties, has been included in the finance expense in the loss for the year.

Subsequent to December 31, 2019, the Company repaid the loans and accrued interest (note 17).

9. RELATED PARTY BALANCES AND TRANSACTIONS

The components of transactions to related parties are as follows:

Payables to related parties	**December 31 2019**	December 31 2018
Key management personnel (a)	$ 971	$ 104
Hunter Dickinson Services Inc. (b)	124	401
RSU liability	–	80
Total payables	$ 1,095	$ 585

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation (note 2(d)). Details between the Group and other related parties are disclosed below:

(a) Transactions and Balances with Key Management Personnel ("KMP")

The aggregate value of transactions with KMP, being the Group's directors, Chief Financial Officer ("CFO"), Company Secretary, Executive Vice President ("EVP"), Environment and Sustainability, Vice President ("VP"), Corporate Communications, VP, Engineering and VP, Public Affairs, and Pebble Partnership ("PLP") senior management including the Chief Executive Officer ("PLP CEO"), Executive VP ("EVP"), Public Affairs, Senior VP ("SVP"), Corporate Affairs, SVP Engineering, VP, Permitting, Chief of Staff and Chair of Pebble Mines Corp ("PMC Chair"), was as follows for each of the years ended December 31:

Transactions	**2019**	2018
Compensation		
Amounts paid and payable to HDSI for services of KMP employed by HDSI [1]	$ 2,430	$ 2,595
Amounts paid and payable to KMP [2]	4,443	3,991
Bonuses paid to KMP [3]	1,053	1,430
Interest payable on loans received from KMP [5]	4	–
	7,930	8,016
Share-based compensation [4]	2,736	3,681
Total compensation	$ 10,666	$ 11,697

Notes to table:

1. The Group's CEO, CFO, Board Chair and senior management, other than disclosed in note 2 below, are employed by the Group through Hunter Dickinson Services Inc. ("HDSI") (refer (b)).

2. Represents short-term employee benefits, including director's fees paid to the Group's independent directors, and salaries paid and payable to the PLP CEO, PMC Chair and PLP EVP, SVPs, VP and Chief of Staff. The SVP Engineering is employed by the Group through a wholly-owned US subsidiary of HDSI ("HDUS"). The Group reimburses HDUS for costs incurred.

3. In 2019, incentive bonuses were paid to the CFO, EVP, Environment and Sustainability, VP, Corporate Communications, SVP, Engineering, VP, Permitting, PLP CEO, the Company Secretary, and a performance bonus was paid to the PLP CEO for the 2018 fiscal year. In 2018, incentive bonuses were paid to the SVP, Environment and Sustainability, VP, Corporate Communications and VP, Permitting, and a performance bonus was paid to the PLP CEO for the 2017 fiscal year.

4. Represents cost of RSUs and share purchase options issued and/or vesting during the respective periods.

5. The Group's Board Chair and CEO advanced $967 to the Group pursuant to the Credit Facility (note 8) and have accrued interest of $4 to December 31, 2019. Subsequent to the reporting period, these loans including interest earned to date were repaid (note 17).

RSUs

During the year ended December 31, 2019, the Group settled vested KMP RSUs by issuing 111,086 (2018 – 434,742) common shares (note 6(f)).

Options

During the year ended December 31, 2019, 125,000 KMP incentive options with an exercise price of $0.49 per option and an expiry date of July 11, 2021 and 200,000 KMP incentive options with an exercise price of $0.72 per option and an expiry date of September 15, 2019, were exercised at a weighted average market share price on exercise of $0.91 for proceeds to the Group of $205. No KMP options were exercised in 2018.

(b) Transactions and Balances with other Related Parties

Hunter Dickinson Services Inc. is a private company that provides geological, engineering, environmental, corporate development, financial, administrative and management services to the Group and its subsidiaries at annually set rates pursuant to a management services agreement. The annually set rates also include a component of overhead costs such as office rent, information technology services and general administrative support services. HDSI also incurs third party costs on behalf of the Group, which are reimbursed by the Group at cost. Several directors and other key management personnel of HDSI, who are close business associates, are also key management personnel of the Group.

For the year ended December 31, 2019, and 2018, the aggregate value of transactions were as follows:

Transactions	**2019**	2018
Services rendered by HDSI:		
Technical		
Engineering	$ 1,018	$ 1,199
Environmental	459	706
Socioeconomic	429	462
Other technical services	154	316
	2,060	2,683
General and administrative		
Management, corporate communications, secretarial, financial and administration	2,292	2,326
Shareholder communication	594	627
	2,886	2,953
Total for services rendered	4,946	5,636
Reimbursement of third party expenses		
Conferences and travel	393	502
Insurance	50	70
Office supplies and information technology	431	319
Total reimbursed	874	891
Total value of transactions	$ 5,820	$ 6,527

10. TRADE AND OTHER PAYABLES

	December 31 2019	December 31 2018
Falling due within the year		
Trade [1]	$ 12,401	$ 5,935
Lease liabilities [2]	286	–
Total	$ 12,687	$ 5,935
Non-current liabilities		
Trade [1]	$ –	$ 7,194
Lease liabilities [2]	934	–
Total	$ 934	$ 7,194

Notes:

1. At December 31, 2019, trade payables in current liabilities includes legal fees due to legal counsel of US$5,274, which was previously due January 31, 2020 but has been extended to December 24, 2020 (note 17(c)), and US$635 payable on completion of a partnering transaction. The former legal fees were included in non-current liabilities at December 31, 2018.

2. Lease liabilities relate to lease of offices, site hangers, yard storage, an office copier and one vehicle, which have remaining lease terms of 4 to 125 months and interest rates of 7.5% – 10.5% over the term of the leases. During the year ended December 31, 2019, the Group recognized $120 in interest expense on lease liabilities, which is included in finance expense in the loss for the year.

The following table provides the schedule of undiscounted lease liabilities as at December 31, 2019:

		Total
Less than one year	$	391
One to five years		884
Later than 5 years		343
Total undiscounted lease liabilities	$	1,618

The Group had $158 in short-term lease commitments of less than a year relating to property leases as at January 1, 2019. During the year ended December 31, 2019, the Group incurred further short-term lease commitments of $206 and expensed $264.

11. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended December 31, 2019 and 2018 was based on the following:

		2019		2018
Loss attributable to common shareholders	$	69,193	$	15,957
Weighted average number of shares outstanding (000s)		358,343		312,265

Basic and diluted loss per share excludes the effect of 25,752,266 (2018 – 24,606,732) employee share purchase options outstanding, 31,306,275 (2018 – 31,366,800) non-employee share purchase options and warrants, 458,129 DSUs and nil (2018 – 196,753) RSUs, as they are anti-dilutive. In 2018, the weighted average number of shares outstanding included the special warrants issued in December 2018 (note 6(b)).

12. EMPLOYMENT COSTS

During the year ended December 31, 2019, the Group recorded $15,648 (2018 – $17,168) in salaries and benefits, including share-based payments of $3,970 (2018 – $4,734) and amounts paid to HDSI for services provided to the Group by HDSI personnel (note 9(b)).

13. OTHER INCOME ITEMS

(a) Non-Refundable Early Option Price Installment ("Early Option Price Installment")

In December 2017, on entering a framework agreement with First Quantum Minerals Ltd. ("First Quantum"), the Group received a non-refundable early option payment of US$37,500 ($48,751) ("non-refundable early option price installment"), which was to be applied solely for the purpose of progressing with permitting of the Pebble Project. The framework agreement, which contemplated that an affiliate of First Quantum would execute an option agreement to earn a 50% interest in the Pebble Partnership, was terminated in May 2018, as the Group and First Quantum were unable to reach an agreement on the option and partnership transaction as contemplated therein. Accordingly, the Group recorded the non-refundable early option price installment as income in the statement of comprehensive loss for the year ended December 31, 2018.

(b) Sale of Royalty

During the year ended December 31, 2018, the Group completed the sale of a net proceeds interest royalty held by the Group on a non-core property, and which was carried at a nominal value, to a third party for proceeds net of withholding taxes of US$24 ($31). Pursuant to the transaction, the Group received accrued and outstanding royalty income of US$477 ($617).

During the year ended December 31, 2019, the Group received $6 for an over deduction in withholding taxes.

14. INCOME TAX EXPENSE

	Year ended December 31	
	2019	2018
Current tax (recovery) expense		
Current year (recovery) expense	$ –	$ –
Current income tax (recovery) expense	$ –	$ –
Deferred income tax (recovery) expense		
Current year (recovery) expense	$ –	$ –
Deferred income tax (recovery) expense	$ –	$ –

	Year ended December 31	
Reconciliation of effective tax rate	**2019**	2018
Net loss	$ (69,193)	$ (15,957)
Total income tax (recovery) expense	–	–
Loss excluding income tax	(69,193)	(15,957)
Income tax recovery using the Company's domestic tax rate	(18,682)	(4,308)
Non-deductible expenses and other	1,375	(2,175)
Change in tax rates	–	–
Deferred income tax assets not recognized	17,307	6,483
	$ –	$ –

The Company's domestic tax rate for the year was 27% (2018 – 27%).

Deferred income tax assets (liabilities)	December 31 2019	December 31 2018
Tax losses	$ 2,342	$ 2,140
Net deferred income tax assets	2,342	2,140
Resource property/investment in Pebble Partnership	(2,342)	(2,140)
Equipment	–	–
Net deferred income tax liability	$ –	$ –

The Group had the following temporary differences at December 31, 2019 in respect of which no deferred tax asset has been recognized:

Expiry	Tax losses	Resource pools	Other
Within one year	$ –	$ –	$ –
One to five years	–	–	6,159
After five years	238,056	–	–
No expiry date	–	93,512	65
Total	$ 238,056	$ 93,512	$ 6,224

The Group has taxable temporary differences in relation to investments in foreign subsidiaries or branches of $8.2 million (2018 – $7.5 million) which has not been recognized because the Group controls the reversal of liabilities and it is expected it will not reverse in the foreseeable future.

15. FINANCIAL RISK MANAGEMENT

The Group is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(c) Credit Risk

Credit risk is the risk of potential loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. The Group's credit risk is primarily attributable to its liquid financial assets, including cash and cash equivalents, restricted cash and amounts receivable. The Group limits the exposure to credit risk by only investing its cash and cash equivalents and restricted cash with high-credit quality financial institutions in business and saving accounts, guaranteed investment certificates, in government treasury bills, low risk corporate bonds and money market funds which are available on demand by the Group when required. Amounts receivable (note 4) include receivable balances with government agencies and refundable deposits. The following is the Group's maximum exposure:

Exposure	December 31 2019	December 31 2018
Amounts receivable	$ 239	$ 769
Restricted cash	851	830
Cash and cash equivalents	14,038	14,872
Total exposure	$ 15,128	$ 16,471

(d) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations when they become due. The Group ensures, as far as reasonably possible, it will have sufficient capital in order to meet short to medium term business requirements, after taking into account cash flows from operations and the Group's holdings of cash and cash equivalents and restricted cash, where applicable. The Group however, has noted material uncertainty that raises substantial doubt about the Group's ability to continue as a going concern (note 1). The Group's cash and cash equivalents at the reporting date were invested in business and savings accounts (note 5(a)).

The Group's financial liabilities are comprised of current trade and other payables (note 10) and payables to related parties (note 9), which are due for payment within 12 months from the reporting date, and non-current trade payables, which are due for payment more than 12 months from the reporting date. The carrying amounts of the Group's financial liabilities represent the Group's contractual obligations.

(e) Foreign Exchange Risk

The Company is subject to both currency transaction risk and currency translation risk: the Pebble Partnership, Pebble Services Inc. and U5 Resources Inc. have the US dollar as functional currency, and certain of the Company's corporate expenses are incurred in US dollars. The operating results and financial position of the Group are reported in Canadian dollars in the Group's consolidated financial statements. As a result, the fluctuation of the US dollar in relation to the Canadian dollar will have an impact upon the losses incurred by the Group as well as the value of the Group's assets and the amount of shareholders' equity.

The Group has not entered into any agreements or purchased any instruments to hedge possible currency risks.

The exposure of the Group's US dollar- denominated financial assets and liabilities to foreign exchange risk is as follows:

	December 31 2019	December 31 2018
Financial assets:		
Amounts receivable	$ 263	$ 627
Cash and cash equivalents and restricted cash	14,090	10,523
	14,353	11,150
Financial liabilities:		
Non-current trade payables	(932)	(7,194)
Warrant liabilities	(43)	–
Current trade and other payables	(12,426)	(5,834)
Payables to related parties	(24)	(146)
	(13,425)	(13,174)
Net financial liabilities exposed to foreign currency risk	$ (928)	$ (2,024)

Based on the above net exposures and assuming that all other variables remain constant, a 10% change in the value of the Canadian dollar relative to the US dollar would result in a gain or loss of $93 (2018 – $202) in the year. This sensitivity analysis includes only outstanding foreign currency denominated monetary items.

(f) Interest Rate Risk

The Group is subject to interest rate cash flow risk with respect to its investments in cash and cash equivalents. The Group's policy is to invest cash at fixed rates of interest and cash reserves are to be maintained in cash and cash equivalents or short-term low risk investments in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates when cash and cash equivalents mature impact interest income earned.

Assuming that all other variables remain constant, a 100 basis points change representing a 1% increase or decrease in interest rates would have resulted in a decrease or increase in loss of $145 (2018 – $174).

(g) Capital Management

The Group's policy is to maintain a strong capital base to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Group consists of equity, comprising share capital and reserves, net of accumulated deficit. There were no changes in the Group's approach to capital management during the year. The Group is not subject to any externally imposed capital requirements.

(h) Fair Value

The fair value of the Group's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. Fair value measurements which are determined by using valuation techniques are classified in their entirety as either Level 2 or Level 3 based on the lowest level input that is significant to the measurement.

The fair value measurement of the warrant liabilities (note 7) until their expiry are categorized within Level 2 of the hierarchy as it is exposed to market risk as they employ the quoted market price of shares and foreign exchange rates.

16. COMMITMENTS AND CONTINGENCIES

(a) Legal Proceedings

On February 14, 2017, short seller investment firm Kerrisdale Capital Management LLC published a negative piece (the "Kerrisdale Report") regarding the Pebble Project. Three putative shareholder class actions were filed against the Company and certain of its current officers and directors in US federal courts, specifically the Central District of California (Los Angeles) and the Southern District of New York (New York City). The cases are captioned: *Diaz v. Northern Dynasty Minerals Ltd. et al, Case No. 17-cv-01241 (C.D. Cal.), Kirwin v. Northern Dynasty Minerals Ltd. et al*, *Case No. 17-cv-01238 (S.D.N.Y.)* and *Schubert v. Northern Dynasty Minerals, Ltd., et al., Case No. 1:17-CV-02437 (S.D.N.Y.)*. The complaints relied on the claims made in the Kerrisdale Report and alleged damages to a class of investors who purchased shares of the Company prior to the publication of the Kerrisdale Report and allege liability for losses pursuant to Section 10(b) of the Exchange Act of 1934 and SEC Rule 10b-5 thereunder, as well as control person liability against the individual defendants pursuant to Section 20(a) of the Exchange Act.

The plaintiffs in both the *Kirwin* and *Schubert* actions voluntarily dismissed their claims without prejudice. The plaintiffs in the *Diaz* action continued to litigate and filed an amended complaint. The Company filed a motion to dismiss the amended complaint in the *Diaz* action, which the plaintiffs opposed. In April 2018, the United States District Court for the Central District of California (the "California District Court") granted the Company's motion and dismissed the plaintiffs' amended complaint in full, noting that its reliance on the sources in the Kerrisdale Report was an insufficient basis to allege securities fraud. The Court allowed the plaintiffs an opportunity to amend their complaint, which they did in June 2018. The Company again moved to dismiss the new complaint, and briefing on the motion concluded in November 2018.

On February 22, 2019, the California District Court again dismissed all of the securities class action claims brought against the Company and certain of its officers and directors in the *Diaz* action, this time without leave to amend. The Court ruled in favor of the Company and its officers and directors on all claims and ordered the case closed.

In March 2019, the *Diaz* plaintiffs filed notice of an appeal of the district court's dismissal order, and their appeal was filed with the Ninth Circuit Court of Appeals, in California, in June 2019. The Company filed its response in August 2019 and the plaintiffs submitted their reply in October 2019, closing the briefing before the appellate court. The appeal will be reviewed *de novo*, meaning that no deference will be given to the earlier lower court rulings. A hearing on the appeal is scheduled for May 2020. Given the nature of the claims on appeal, it is not currently possible for the Company to predict the outcome nor practical to determine their possible financial effect until their ultimate resolution. The Company intends to continue defending itself vigorously in this action.

(b) Short-term lease commitments

As of December 31, 2019, the Group has $93 in short-term lease commitments. These leases have fixed monthly payments for the remaining term.

(c) Right-of-Way Annual Payment Commitments

With the signing of Right-of-Way Agreements ("ROW Agreements") in November 2018 and May 2019, with the Alaska Peninsula Corporation ("APC") and Iliamna Natives Limited ("INL") respectively, the Group secured the right to use defined portions of APC and INL lands for the construction and operation of transportation infrastructure to access the Pebble Project site. Pursuant to the ROW Agreements, the Group issued the required notice to APC and INL in November 2019, as to which defined portions of APC and INL lands that it requires the rights for access in 2020 and as such has a commitment for the annual toll payments due in 2020.

(d) Pipeline Right-of-Way Bond Commitment

The Group posted a bond of US$300 with the Alaskan regulatory authorities for a performance guarantee related to any potential reclamation liability as a condition for a pipeline right-of-way to a subsidiary of the Pebble Partnership, the Pebble Pipeline Corporation. The Group is liable to the surety provider for any funds drawn by the Alaskan regulatory authorities.

17. EVENTS AFTER THE REPORTING DATE

(a) Private Placement

On January 17, 2020, the Group closed a private placement, which was announced in December 2019 as a concurrent financing with the bought deal offering (note 6(b)), of 11,346,783 shares at a price of $0.49 (US$0.37) per share for gross proceeds of approximately $5.6 million (US$4.2 million). Pursuant to this private placement, the Group received subscriptions for 1,426,500 shares (note 6(b)) in December 2019. Further to this private placement, the Group placed an additional 1,640,000 shares for gross proceeds to the Group of $804.

(b) Repayment of Loans Payable

In January and February 2020, the Group repaid the Credit Facility (note 8) including interest accrued to the date of payment.

(c) Extension of Repayment Term for Legal Fees Payable

Effective January, 31, 2020, pursuant to an amendment agreement, the Group's US legal counsel have agreed to extend the payment due date for legal fees payable (note 10) to December 24, 2020. In consideration for the extension, until the payment of the fees, interest will accrue at 3.5% per annum from the date of this amendment until payment of the outstanding amount.

(d) Impact of the Novel Coronavirus ("COVID-19")

The current outbreak of COVID-19, and any future emergence and spread of similar pathogens, could have a material adverse effect on global and local economic and business conditions which may adversely impact our business and results of operations and the operations of contractors and service providers. The outbreak has now spread to the United States and Canada where we conduct our principal business operations. Our plans to advance the development of the Pebble Project are dependent upon the continued progress of our approval and permitting process with the USACE, the EPA and Alaskan state agencies, as well as our ability to continue the work required in connection with this process through our employees and our contractors. While we have not been notified of any delay, it is possible that government efforts to curtail the COVID-19 outbreak will result in delays in our permitting process, including a possible delay in the release by the USACE of their Final EIS and the progress through to a Record of Decision. In addition, our personnel may be delayed in completing the required work that we are pursuing in connection with this process due to quarantine, self-isolation, social distancing, restrictions on travel, restrictions on meetings and work from home requirements. The extent to which the coronavirus impacts our operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak, new information that may emerge concerning the severity of the coronavirus and the actions taken to contain the coronavirus or treat its impact, among others. Moreover, the spread of the coronavirus globally is expected to have a material adverse effect on global and regional economies and to continue to negatively impact stock markets, including the trading price of our shares. These adverse effects on the economy, the stock market and our share price could adversely impact our ability to raise capital, with the result that our ability to pursue development of the Pebble Project could be adversely impacted, both through delays and through increased costs. Any of these developments, and others, could have a material adverse effect on our business and results of operations and could delay our plans for development of the Pebble Project.

Exhibit 99.6



MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2019

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1.1 Date

This Management's Discussion and Analysis ("**MD&A**") should be read in conjunction with the audited consolidated financial statements (the "**Financial Statements**") of Northern Dynasty Minerals Ltd. ("**Northern Dynasty**" or the "**Company**") for the year ended December 31, 2019 as publicly filed under the Company's profile on SEDAR at www.sedar.com.

The Company reports in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IASB**") and interpretations of the IFRS Interpretations Committee (together, "**IFRS**"). The following disclosure and associated Financial Statements are presented in accordance with IFRS. This MD&A is prepared as of March 26, 2020.

All dollar amounts herein are expressed in thousands of Canadian dollars, unless otherwise specified .

This MD&A contains certain forward-looking information and forward-looking statements within the meaning of applicable Canadian securities laws and forward-looking statements within the meaning of the United States *Private Securities Litigation Reform Act of 1995*. Forward-looking statements describe our future plans, strategies, expectations and objectives, and are generally, but not always, identifiable by use of the words "may", "will", "should", "continue", "expect", "anticipate", "estimate", "believe", "intend", "plan" or "project" or the negative of these words or other variations on these words or comparable terminology.

Forward-looking statements contained or incorporated by reference into this MD&A include, without limitation, statements regarding:

- he uncertainties with respect to the effects of COVID-19;
- our expectations regarding the potential for securing the necessary permitting of a mine at the Pebble Project and our ability to establish that such a permitted mine can be economically developed;
- the timing of the completion of the United States Army Corps of Engineers ("**USACE**") Environmental Statement ("**EIS**") and the issuance of the Record of Decision by the USACE;
- our ability to successfully apply for and obtain the federal permits and state permits that we will be required to obtain for the Pebble Project, including under the Clean Water Act ("**CWA**") and the National Environmental Policy Act ("**NEPA**"), and relevant legislation;
- our plan of operations, including our plans to carry out and finance exploration and development activities and for working capital purposes and our expectations regarding our cash and working capital requirements;
- our ability to raise capital for the exploration, permitting and development activities and for working capital purposes;
- our expected financial performance in future periods;
- our expectations regarding the exploration and development potential of the Pebble Project;
- the outcome of the legal proceedings in which we are engaged; and
- factors relating to our investment decisions.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. We believe that the assumptions and expectations reflected in such forward-looking information are reasonable.

Key assumptions upon which the Company's forward-looking information are based include:

- that we will be able to secure sufficient capital necessary for continued environmental assessment and permitting activities and engineering work which must be completed prior to any potential development of the Pebble Project which would then require engineering and financing in order to advance to ultimate construction;
- that we will ultimately be able to demonstrate that a mine at the Pebble Project can be developed and operated in an environmentally sound and socially responsible manner, meeting all relevant federal, state and local regulatory requirements so that we will be ultimately able to obtain permits authorizing construction of a mine at the Pebble Project;
- that the market prices of copper, gold, molybdenum and silver will not significantly decline or stay depressed for a lengthy period of time;
- that our key personnel will continue their employment with us; and
- that we will continue to be able to secure minimal adequate financing for working capital and other purposes on acceptable terms.

Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions that may have been used. Forward-looking statements are also subject to risks and uncertainties facing our business, any of which could have a material impact on our outlook.

Some of the risks we face and the uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements include:

- an inability to ultimately obtain permitting for a mine at the Pebble Project;
- an inability to establish that the Pebble Project may be economically developed and mined or contain commercially viable deposits of ore based on a mine plan for which government authorities are prepared to grant permits;
- the USACE may be delayed in completing the EIS and issuing its Record of Decision;
- an inability to complete a partnering transaction on terms satisfactory to the Company;
- an inability to continue to fund exploration and development activities and other operating costs;
- the highly cyclical and speculative nature of the mineral resource exploration business;
- the pre-development stage economic viability and technical uncertainties of the Pebble Project and the lack of known reserves on the Pebble Project;
- an inability to recover even the financial statement carrying values of the Pebble Project if we cease to continue on a going concern basis;
- the potential for loss of the services of key executive officers;
- a history of, and expectation of further, financial losses from operations impacting our ability to continue on a going concern basis;
- the volatility of copper, gold, molybdenum and silver prices and share prices of mining companies;
- the inherent risk involved in the exploration, development and production of minerals, and the presence of unknown geological and other physical and environmental hazards at the Pebble Project;
- the potential for changes in, or the introduction of new, government regulations relating to mining, including laws and regulations relating to the protection of the environment and project legal titles;
- potential claims by third parties to titles or rights involving the Pebble Project;
- the uncertainty of the outcome of current or future litigation;

- the possible inability to insure our operations against all risks;
- the highly competitive nature of the mining business;
- our ability to obtain funding for working capital and other purposes;
- the potential equity dilution to current shareholders from future equity financings; and
- that we have never paid dividends and will not do so in the foreseeable future.

While the effort was made to list the primary risk factors, this list should not be considered exhaustive of the factors that may affect any of our forward-looking statements or information. Forward-looking statements or information are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements or information due to a variety of risks, uncertainties and other factors, including, without limitation, the risks and uncertainties described above and otherwise contained herein.

Our forward-looking statements and risk factors are based on the reasonable beliefs, expectations and opinions of management on the date of this MD&A. Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should appreciate the inherent uncertainty of, and not place undue reliance on forward-looking information. We do not undertake to update any forward-looking information, except as, and to the extent required by, applicable securities laws.

For more information on the Company, investors should review the Company's annual information form and home jurisdiction filings that are available on SEDAR at www.sedar.com.

The Company reviews its forward-looking statements on an ongoing basis and updates this information when circumstances require it.

Cautionary Note to Investors Concerning Estimates of Measured, Indicated and Inferred Resources

The following section uses the terms "Measured Resources", "Indicated Resources" and "Inferred Resources". The Company advises investors that these terms are recognized and required by Canadian regulations under National Instrument 43-101, *Standards of Disclosure for Mineral Properties* ("**43-101**"). The United States Securities and Exchange Commission (the "**SEC**") has adopted amendments to its disclosure rules to modernize the mineral property disclosure required for issuers whose securities are registered with the SEC under the US *Securities Exchange Act of 1934*, effective February 25, 2019 ("**The SEC Modernization Rules**"). The SEC Modernization Rules have replaced historical property disclosure requirements for mining registrants that were included in SEC Industry Guide 7, which will be rescinded. The SEC Modernization Rules include the adoption of definitions of the terms and categories of resources which are "substantially similar" to the corresponding terms under Canadian Regulations in 43-101. Accordingly, there is no assurance any mineral resources that we may report as Measured Resources, Indicated Resources and Inferred Resources under 43-101 would be the same had we prepared the resource estimates under the standards adopted under the SEC Modernization Rules. **Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into reserves.**

In addition, Inferred Resources have a great amount of uncertainty as to their existence, and economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Resources may not form the basis of feasibility or pre-feasibility studies, or economic studies except for a Preliminary Economic Assessment as defined under 43-101. **Investors are cautioned not to assume that all or part of an Inferred Resource exists, or is economically or legally mineable**.

1.2 Overview

Northern Dynasty is a mineral exploration company which, through its wholly-owned Alaskan registered limited partnership, the Pebble Limited Partnership (the "**Pebble Partnership**"), holds a 100% interest in mining claims that are part of or in the vicinity of the Pebble Copper-Gold-Molybdenum-Silver Project (the "**Pebble Project" or "Pebble**") in southwest Alaska, USA ("**US**"). The Company's business in Alaska is operated through the Pebble Partnership.

The Pebble Project is an initiative to develop one of the world's most important mineral resources. The current estimate of these mineral resources [1] at a 0.30% copper equivalent cut-off grade comprise:

- 6.5 billion tonnes in the combined **Measured and Indicated**[2] categories at a grade of 0.40% copper, 0.34 g/t gold, 240 ppm molybdenum and 1.7 g/t silver, containing 57 billion pounds of copper, 71 million ounces of gold, 3.4 billion pounds of molybdenum and 345 million ounces of silver; and

- 4.5 billion tonnes in the **Inferred** category at a grade of 0.25% copper, 0.25 g/t gold, 226 ppm molybdenum and 1.2 g/t silver, containing 25 billion pounds of copper, 36 million ounces of gold, 2.2 billion pounds of molybdenum and 170 million ounces of silver.

The Company and the Pebble Partnership submitted a 404 wetlands permit application under the Clean Water Act (" **CWA**") for the Pebble Project to the United States Army Corps of Engineers ("**USACE**") on December 22, 2017, initiating federal permitting under the National Environmental Policy Act ("**NEPA**"). The process involves the development of an environmental impact statement (" **EIS**").

Much of the work by the Company and, in particular, the Pebble Partnership in 2019 continued to focus on providing support to the federal EIS permitting process. Summer field programs involved collection of engineering and environmental data, in particular, for infrastructure to and on the Pebble Project site.

Other key activities included engagement and consultation with project stakeholders to share information and gather feedback on the Pebble Project, its potential effects and proposed mitigation. Corporate activities were also directed toward raising capital to support the EIS process, stakeholder and other work, and discussions directed toward securing a partner with which to advance the overall development of the project.

Environmental Assessment Process is Advancing

In 2019, the USACE and its consultants continued to advance the environmental assessment process for the Pebble Project. The USACE is currently forecasting publication of the Final Environmental Impact Statement ("**Final EIS**") and completion of the Record of Decision (" **ROD**") in mid-2020.

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[1] Mineral resources at December 2017 as estimated by David Gaunt, PGeo., a qualified person who is not independent of Northern Dynasty. The resource estimate is constrained by a conceptual pit that was developed using a Lerchs-Grossman algorithm using metal prices (USD) of $1,540/oz for gold, $3.63/lb for copper, $12.36/lb for molybdenum and $20/oz for silver. A 0.30% copper equivalent ("CuEQ") cut-off is considered to be comparable to those used for porphyry deposit open pit mining operations in the Americas. CuEQ calculations use metal prices (USD) of $1.85/lb for copper, $902/oz for gold and $12.50/lb for molybdenum, and recoveries of 85% for copper 69.6% for gold, and 77.8% for molybdenum in the Pebble West zone and 89.3% for copper, 76.8% for gold, and 83.7% for molybdenum in the Pebble East zone. Contained metal values are based on 100% recoveries. All mineral resource estimates, cut-offs and metallurgical recoveries are subject to change as a consequence of more detailed analyses that would be required in pre-feasibility and feasibility studies. For additional details, see the Company's **2018 Annual Information Form** and **2018 Technical Report**, both of which are filed under Northern Dynasty's profile at www.sedar.com.

[2] Measured and Indicated Resources include 0.527 billion tonnes in the Measured category at a grade of 0.33% copper, 0.35 g/t gold, 178 ppm molybdenum and 1.7 g/t silver, and 5.929 billion tonnes in the Indicated category at a grade of 0.41% copper, 0.34 g/t gold, 246 ppm molybdenum and 1.7 g/t silver.

The USACE accepted the 404 wetlands permit application for the Pebble Project as complete in January 2018, and selected AECOM, a leading global engineering firm, as third-party contractor for the EIS process in February 2018. The EIS process for Pebble has progressed as forecast in the USACE timeline, with USACE advancing through the scoping phase in 2018 and delivering the Draft EIS in the first quarter of 2019.

The Draft EIS shows:

- the Pebble application to be complete, with no substantive data gaps;
- there were no new environmental issues identified; and
- there were no impacts identified that cannot be mitigated.

The USACE initiated a public comment period on the Draft EIS in March, which closed on July 2, 2019. Public hearings were undertaken in nine Alaska communities, including seven in the Bristol Bay region as well as Homer and Anchorage. As part of the EIS preparation process, USACE is undertaking a comprehensive alternatives assessment to consider a broad range of development alternatives. No preferred alternative was identified in the Draft EIS, which allows USACE to incorporate public input on various alternatives presented in the Draft EIS during the public review process. Northern Dynasty, through the Pebble Partnership, also continues to advance engineering studies. Northern Dynasty cautions that the current Project Description may not be the ultimate development plan for the Pebble Project and that a final project design has not been selected.

The USACE has forecast completion of the Final EIS for the Pebble Project in mid-2020. In February 2020, the USACE circulated the preliminary Final EIS to co-operating agencies for review.

From 2001, when Northern Dynasty's involvement at the Pebble Project began, to December 31, 2019, a total of $940 million (US$854 million) has been invested to advance the project.[3]

Plans for 2020

In 2020, the Company plans to continue its efforts in support of the EIS process and toward federal permitting of the Pebble Project. Activities in this regard are expected to include completing a comprehensive review of the Final EIS and providing responses to Request for Information from the USACE thereafter; planning and implementing engineering and environmental field studies and data collection programs. In addition, the Company will continue to engage and consult with project stakeholders to share information and gather feedback on the Pebble Project. Discussions to secure a major funding partner with which to advance the overall development of the Pebble Project will continue, as well as financing activities as necessary to support ongoing work.

[3] Of this, approximately $595 million (US$573 million) was provided by a wholly-owned subsidiary of Anglo American plc, which participated in the Pebble Partnership from 2007 to 2013, and the remainder was financed by Northern Dynasty. A major part of the 2007-2013 expenditures were on exploration, resource estimation, environmental data collection and technical studies, with a significant portion spent on engineering of possible mine development models, as well as related infrastructure, power and transportation systems. The mine-site and infrastructure studies completed are not necessarily representative of management's current understanding of the most likely development scenario for the project, and accordingly, Northern Dynasty is uncertain whether it can realize significant value from this prior work. Environmental baseline studies and data, as well as geological and exploration information, remain important information available to the Company to advance the project.

Discussions to secure a partner with which to advance the overall development of the project will also continue as well as fund raising as necessary to support its ongoing work.

Corporate

As at December 31, 2019, the Company had $14.0 million in cash and cash equivalents available for its operating requirements. The Company had completed a gross US$15.5 million financing in December 2019 and had drawn, and utilized $2.3 million from a $3.5 million unsecured non-revolving term loan credit facility agreement (the "**Credit Facility**") that it had entered into with certain parties including two related parties, in November 2019. The Company ended the year with a working capital deficiency of $0.2 million. Although the Company was able to close a private placement of shares for gross proceeds of US$4.2 million in January 2020, of which US$0.5 million was received in December 2019, and the Company has prioritized the allocation of the available financial resources in order to meet key corporate and Pebble Project expenditure requirements in the near term, additional financing will be required in order to advance its programs and for working capital requirements. The Company will seek the necessary financing through any of or a combination of debt and equity and/or contributions from possible new Pebble Project participants however, there can be no assurances that it will be successful in obtaining additional financing. If the Company is unable to raise the necessary capital resources to meet obligations as they come due, the Company will at some point have to reduce or curtail its operations.

1.2.1 Pebble Project

The Pebble Project is located in southwest Alaska, approximately 17 miles from the villages of Iliamna and Newhalen, and approximately 200 miles southwest of the city of Anchorage. Situated in an area of rolling hills approximately 1,000 feet above sea-level and 60 miles from tidewater on Cook Inlet, the site conditions are favorable for successful mine site and infrastructure development.

1.2.1.1 Project Background and Status

The Pebble deposit was discovered in 1987 by a prior operator, which by 1997 had developed an initial outline of the deposit.

Northern Dynasty acquired the right to earn an interest in Pebble in 2001. Exploration since that time has led to significant expansion of the mineral resources in the Pebble deposit, including a substantial volume of higher grade mineralization in its eastern part. The deposit also remains open to further expansion at depth and to the east. A number of other occurrences of copper, gold and molybdenum were also identified along the extensive northeast-trending mineralized system that underlies the property. The potential of these earlier-stage prospects has not yet been fully explored.

Comprehensive deposit delineation, environmental, socioeconomic and engineering studies of the Pebble deposit began in 2004. A Preliminary Assessment of the Pebble Project was completed in 2011, which provided insights into the size and scale of project that the Pebble resource might support. The Pebble Partnership continued to undertake detailed engineering, environmental and socioeconomic studies over the next two years.

In February 2014, the US Environmental Protection Agency ("**EPA**") announced a pre-emptive regulatory action under the CWA to consider restriction or a prohibition of mining activities associated with the Pebble deposit. From 2014-2017, Northern Dynasty and the Pebble Partnership focused on a multi-dimensional strategy, including legal and other initiatives to ward off this action. These efforts were successful, resulting in the joint settlement agreement announced on May 12, 2017, which enabled the project to move forward with state and federal permitting. Also as part of the joint settlement agreement, the EPA agreed to initiate a process to propose to withdraw the Proposed Determination. That process was initiated in July 2017, suspended by former EPA Administrator, Scott Pruitt, in January 2018, and then re-initiated by the EPA in late June 2019. The Proposed Determination was ultimately withdrawn in July 2019.

Permitting

In the latter part of 2017, a project design based on a smaller mine concept was developed for the Pebble Project, as described in the Project Description which is part of the application for a CWA 404 permit. The CWA 404 permit application was submitted to the USACE on December 22, 2017, initiating federal permitting for the Pebble Project under NEPA. Significant milestones in this permitting process are summarized below:

- On February 5, 2018, USACE announced the appointment of AECOM, a leading global engineering firm, as third-party contractor for the USACE EIS process;
- On March 19, 2018, USACE published guidelines and timelines for completing NEPA permitting, and the associated USACE EIS process;
- Between April and August 2018, the Pebble Project was advanced through the Scoping Phase of the EIS process administered by the USACE:
    - Scoping was initiated on April 1, 2018 with a 90-day public comment period concluded on June 29, 2018; and
    - The USACE released the Scoping Document on August 31, 2018.
- On February 20, 2019, the USACE posted the draft EIS (the " **Draft EIS**") on its website, then initiated a public comment process on the Draft EIS, which was completed on July 2, 2019.

The Project Description and other relevant documents are available on the USACE website at https://pebbleprojecteis.com.

As mentioned in the *Overview*, Northern Dynasty, through Pebble Partnership, has continued to advance engineering studies to refine the mine design and to support the EIS process. The results of this work have been reported in updates to the Project Description, which are reflected in the Draft EIS.

The Draft EIS envisages the project developed as an open pit mine and processing facility with supporting infrastructure, a significantly smaller development footprint than previously envisaged, and other additional environmental safeguards as described in the Project Description. It assesses the access route described in the Project Description as well as other alternatives.

The current Project Description proposes that the Pebble deposit would be developed as a 180,000-ton per day open pit mine with associated on and off-site infrastructure. The infrastructure includes a 270-megawatt power plant located at the mine site; an 94-mile transportation corridor from the mine site to a port site on the west side of Cook Inlet that includes an 18-mile crossing of Iliamna Lake made by an ice-breaking ferry; a permanent, year-round port facility near the mouth of Amakdedori Creek on Cook Inlet; and a 192-mile natural gas pipeline from the Kenai Peninsula to the Project site.

Following four years of construction activity, the proposed Pebble mine will operate for a period of 20 years as a conventional drill-blast-shovel operation. The mining rate will average 70 million tons per year, with 66 million tons of mineralized material going through the mill each year (180,000 tons per day, a total of 1.3 billion tons), with a low life-of-mine waste to ore ratio of 0.12:1. Forecast average annual production would be approximately 613,000 tons of copper-gold concentrate containing approximately 318 million lb copper, 362,000 oz gold and 1.8 million oz of silver; and approximately 15,000 tons of molybdenum concentrate containing approximately 14 million lb of molybdenum.

In response to stakeholder concerns, the current mine plan proposal has a smaller footprint, consolidating major site infrastructure in a single drainage. Other new environmental safeguards include:

- a more conservative Tailings Storage Facility ("**TSF**") design, including enhanced buttresses, flatter slope angles and an improved factor of safety;
- separation of potentially acid generating ("**PAG**") tailings from non-PAG bulk tailings for storage in a fully-lined TSF;
- co-storage of PAG waste rock within the PAG TSF and transfer of the PAG tailings and waste rock to the open pit at closure;
- no permanent waste rock piles; and
- no cyanide usage.

The USACE is advancing the NEPA review of the proposed project, which includes the development of an EIS. A preliminary version of the Final EIS (known as the "**PFEIS**") was completed in February 2020 and distributed for comment and review to cooperating agencies and to tribes participating in the process. The PFEIS includes evaluation of various alternatives to the proposed project so that the environmental impacts of the alternatives can be compared.

A copy of the PFEIS Executive Summary was made public by certain media outlets in February 2020. The draft document and the project proposed in it, is subject to input from cooperating agencies, which will be considered prior to finalizing the EIS. In addition, once published, the USACE will receive public comments on the Final EIS. As a result, the Company cautions that the plan described above may not be the final development plan for Pebble. A final development design has not been selected.

During the fourth quarter, the Company advanced its Compensatory Mitigation Plan for the Pebble Project to address impacts to wetlands as required by the Clean Water Act. This plan was submitted to the USACE subsequent to quarter end. Five projects were delineated – sewer system improvements in three communities near the project, removal of marine debris, which poses hazards to wildlife along the beach near the site of the proposed port at Amakdedori, and culvert upgrades to remove Pacific salmon fish passage barriers.

The proposed project uses a portion of the currently estimated Pebble mineral resources. This does not preclude development of additional resources in other phases of the project in the future, although any subsequent phases of development would require extensive regulatory and permitting review by federal, state and local regulatory agencies, including a comprehensive EIS review process under NEPA.

Right-of-Way Agreements

The Pebble Partnership carries out an active program of engagement and consultation with stakeholders in the area of the Pebble Project in parallel with its technical work, and includes discussions to secure stakeholder agreements to support the project's development. Right-of-way agreements established to date are described below. These agreements cover land access routes for infrastructure alternatives proposed in the EIS documents.

Agreement with Alaska Peninsula Corporation

In November 2018, the Pebble Partnership finalized a Right-of-Way Agreement with Alaska Peninsula Corporation ("**APC**"), securing the right to use defined portions of APC lands for the construction and operation of transportation infrastructure associated with the Pebble Project. APC is an Alaska Native village corporation with extensive land holdings proximal to the Pebble site.

The Right-of-Way Agreement secures access to the Pebble Project site for construction and operation of the proposed mine and represents a significant milestone in the developing relationship between Pebble and the Alaska Native people of the region. The APC lands addressed in the Right-of-Way Agreement mirror the transportation corridor alternatives identified in the Project Description as submitted to the USACE to initiate the federal EIS permitting process and was also identified by the USACE as a potential transportation corridor in the Draft EIS that was released in February 2019. It includes land south of Lake Iliamna to link a port site on Cook Inlet to a ferry landing site west of the APC village of Kohkanok, as well as land north of Lake Iliamna to link a ferry landing site west of the APC village of Newhalen to the site of the proposed Pebble mine.

The agreement includes the following provisions:

- The Pebble Partnership will make annual toll payments to APC, and pay other fees prior to and during project construction and operation;
- APC will be granted 'Preferred Contractor' status at Pebble, which provides a preferential opportunity to bid on Pebble-related contracts located on APC lands; and
- The two parties have agreed to negotiate a profit sharing agreement that will ensure APC and its shareholders benefit directly from the profits generated by mining activity in the region.

Additionally, transportation and other infrastructure for a mine at Pebble is expected to benefit APC, its shareholders and villages through access to lower cost power, equipment and supplies, as well as enhanced economic activity in the region. Spur roads connecting to the villages of Newhalen and Kokhanok will allow local residents to access jobs at the Pebble mine site, port site and ferry landing sites.

Agreement with Iliamna Natives Limited

In May 2019, the Pebble Partnership finalized a Right-of-Way Agreement with Iliamna Natives Limited (" **INL**"), securing the right to use defined portions of INL lands for the construction and operation of transportation infrastructure associated with the Pebble Project.

The INL lands addressed in the Right-of-Way Agreement reflect one of the transportation corridor alternatives identified in the Draft EIS. Specifically, it includes a ferry landing site east of the village of Iliamna at Eagle Bay, as well as road and pipeline corridors and associated material borrow sites to link the Pebble mine site to the Iliamna airport, and to the Eagle Bay ferry landing site.

To secure its right to use defined portions of INL land for the construction and operation of transportation infrastructure, the Pebble Partnership will make annual toll payments to INL, and pay other fees prior to and during project construction and operations. In addition, INL will be granted 'Preferred Contractor' status at Pebble, which provides a preferential opportunity to bid on Pebble-related contracts located on INL lands.

The transportation infrastructure associated with the proposed Pebble mine is expected to benefit INL, its shareholders and local residents of Iliamna through access to lower costs for power, equipment and supplies, as well as enhanced economic activity in the region. Roads connecting to the villages of Iliamna and Newhalen will allow local residents to access jobs at the Pebble mine site and associated infrastructure sites.

The two parties have also agreed to negotiate a profit sharing agreement that will ensure INL and its shareholders benefit directly from the profits generated by mining activity in the region.

1.2.1.2 Current Technical Programs

Technical programs at Pebble in 2019 were mainly focused on planning and deploying site investigations related to supporting the EIS process and the natural gas pipeline right-of-way application.

The technical team completed a review of the Draft EIS during the third quarter and submitted comments on the draft document to USACE. The team also responded to requests for information related to the Draft EIS for USACE's process to develop the Final EIS.

Engineering

Geophysical and geotechnical studies for a right-of way survey of the marine portion of the pipeline route were completed early in the third quarter; the information will provide the data required by federal regulators to support the application for the natural gas pipeline right-of-way and port construction. A geophysical survey, following up on 2018 work, for the pipeline and ferry landings on Lake Iliamna, was also completed during the quarter. Additional work is underway to support minor modifications to the road route in response to information collected from environmental and cultural surveys.

A major review of the groundwater model was advanced early in 2019. Follow-up geotechnical drilling began in September; six holes were drilled at the Pebble site, east of the proposed pit. Preparations were completed in the fourth quarter for future pump tests to confirm groundwater characteristics.

Environmental and Socioeconomic

Environmental Baseline Document and Supplemental Environmental Baseline Document

The 27,000-page Environmental Baseline Document ("**EBD**") for the Pebble Project was released to the public in January 2012. The purpose of the EBD and Supplemental EBD (see further details below) is to provide the public, regulatory agencies and the Pebble Partnership with a detailed compendium of pre-development environmental and socioeconomic conditions in the project area. The EBD is based on extensive environmental baseline data that has been collected since 2004 with the goal to design and plan a project that protects clean water, healthy fish and wildlife populations, and other natural resources in the region. The work involved more than 40 respected independent research firms, utilizing numerous scientific experts and engineering groups, laboratories and support services. Researchers were selected for their specific areas of expertise and Alaskan experience, with cooperating government agencies participating in several studies. Information for the EBD was gathered through field studies, laboratory tests, review of government records and other third-party sources, and interviews with Alaska residents.

The 2012 EBD, available at http://pebbleresearch.com/, characterizes a broad range of environmental and social conditions in southwest Alaska – including climate, water quality, wetlands, fish and aquatic habitat, wildlife, land and water use, socioeconomics and subsistence activities during the period 2004-2008 and from some disciplines in 2009. Data from the 2009-2013 period was compiled into the Supplemental EBD (2009 to 2013), and transmitted to USACE. The full EBD, as well as all Supplemental EBD chapters that were substantively updated since the original EBD was published in 2012, are available on the USACE Pebble EIS website. Meteorology, wetlands, aquatic resources, marine studies, wildlife and stream flow monitoring data collected in 2018 has also been provided to USACE.

Environmental site work for 2019 continued during the fourth quarter, including ongoing environmental monitoring and collection of additional data to support the EIS process. Work planned for 2020 includes maintenance of existing stream gauges and weather stations and collection of additional cultural data.

Community Engagement

Pebble Project technical programs are supported by stakeholder engagement activities in Alaska. The objective of stakeholder outreach programs undertaken by the Pebble Partnership are to:

- advise residents of nearby communities and other regional interests about Pebble work programs and other activities being undertaken in the field;
- provide information about the proposed development plan for the Pebble Project, including potential environmental, social and operational effects, proposed mitigation and environmental safeguards;
- allow the Pebble Partnership to better understand and address stakeholder priorities and concerns with respect to development of the Pebble Project;

- encourage stakeholder and public participation in the USACE-led EIS permitting process for Pebble; and
- facilitate economic and other opportunities associated with advancement and development of the Pebble Project for local residents, communities and companies.

In addition to meeting with stakeholder groups and individuals, and providing project briefings in communities throughout Bristol Bay and the State of Alaska, the Pebble Partnership's outreach and engagement program includes:

- workforce and business development initiatives intended to enhance economic opportunities for regional residents and Alaska Native corporations;
- initiatives to develop partnerships with Alaska Native corporations, commercial fishing interests and other in-region groups and individuals;
- outreach to elected officials and political staff at the national, state and local levels;
- outreach to third-party organizations and special interest groups with an interest in the Pebble Project, including business organizations, community groups, outdoor recreation interests, Alaska Native entities, commercial and sport fishery interests, conservation organizations, among others.

Through these various stakeholder initiatives, the Company seeks to advance a science-based project design that is responsive to stakeholder priorities and concerns, provides meaningful benefits and opportunities to local residents, businesses and Alaska Native corporations, and energizes the economy of Southwest Alaska.

1.2.2 Legal Matters

On February 14, 2017, short seller investment firm Kerrisdale Capital Management LLC published a negative piece (the " **Kerrisdale Report**") regarding the Pebble Project. Three putative shareholder class actions were later filed against the Company and certain of its current officers and directors in US federal courts, specifically the Central District of California (Los Angeles) and the Southern District of New York (New York City). The cases were captioned: *Diaz v. Northern Dynasty Minerals Ltd. et al, Case No. 17-cv-01241 (C.D. Cal.); Kirwin v. Northern Dynasty Minerals Ltd. et al, Case No. 17-cv-01238 (S.D.N.Y.); and Schubert v. Northern Dynasty Minerals, Ltd., et al., Case No. 1:17-CV-02437 (S.D.N.Y.).* The complaints relied on claims made in the Kerrisdale Report and alleged damages to a class of investors who purchased shares of the Company prior to the publication of the Kerrisdale Report and alleged liability for losses pursuant to Section 10(b) of the Exchange Act of 1934 and SEC Rule 10b-5 thereunder, as well as control person liability against the individual defendants pursuant to Section 20(a) of the Exchange Act.

The plaintiffs in both the *Kirwin* and *Schubert* actions voluntarily dismissed their claims without prejudice. The plaintiffs in the *Diaz* action continued to litigate and filed an amended complaint. The Company filed a motion to dismiss the amended complaint in the *Diaz* action, which the plaintiffs opposed. In April 2018, the United States District Court for the Central District of California (the "California District Court") granted the Company's motion and dismissed the plaintiffs' amended complaint in full, noting that its reliance on the sources in the Kerrisdale Report was an insufficient basis to allege securities fraud. The Court allowed the plaintiffs an opportunity to amend their complaint, which they did in June 2018. The Company again moved to dismiss the new complaint, and briefing on the motion concluded in November 2018.

On February 22, 2019, the California District Court again dismissed all of the securities class action claims brought against the Company and certain of its officers and directors in the *Diaz* action, this time without leave to amend. The Court ruled in favor of the Company and its officers and directors on all claims and ordered the case closed.

In March 2019, the *Diaz* plaintiffs filed notice of an appeal of the district court's dismissal order, and their appeal was filed with the Ninth Circuit Court of Appeals, in California, in June 2019. The Company filed its response in August 2019 and the plaintiffs submitted their reply in October 2019, closing the briefing before the appellate court. The appeal will be reviewed *de novo*, meaning that no deference will be given to the earlier lower court rulings. A hearing on the appeal is scheduled for early May 2020 and the Company intends to continue defending itself vigorously in this action, and the outcome is not determinable at this time.

1.2.3 Financings

Bought Deal and Underwritten Offerings

The following bought deal and underwritten offerings were each made by way of a prospectus supplement to the Company's existing Canadian base shelf prospectus (the "Base Shelf Prospectus") and related US registration statement on Form F-10 (SEC File No. 333-229262) (the "Registration Statement"). The US form of the Base Shelf Prospectus is included in the Registration Statement.

US$15.5 Million Underwritten Offering

On December 18, 2019, the Company completed an underwritten public offering of 41,975,000 common shares at a price of US$0.37 per common share for gross proceeds of approximately US$15.5 million ($20.6 million). The public offering was completed pursuant to an underwriting agreement dated December 13, 2019, among the Company and Cantor Fitzgerald Canada Corporation, as lead underwriter and sole bookrunner, and a syndicate of underwriters including BMO Nesbitt Burns Inc., H.C. Wainwright & Co., LLC. and TD Securities Inc. (collectively, the "**Underwriters**"). The Underwriters were paid a 7.5% cash commission.

US$11.5 Million Bought Deal

In August 2019, the Company completed a bought deal offering of 15,333,334 common shares of the Company at the price of US$0.75 per common share for aggregate gross proceeds of approximately US$11.5 million ($15.3 million). The bought deal offering was made through the Underwriters described above, who were paid a cash commission equal to 6.0% of the gross proceeds of the offering.

US$5.0 Million Bought Deal

In June 2019, the Company completed a bought deal offering of 12,200,000 common shares at US$0.41 per common share for gross proceeds of approximately US$5.0 million ($6.6 million). The bought deal offering was made through the Underwriters described above, who were paid a 6% cash commission equal to 6.0% of the gross proceeds of the offering, and also received 244,000 non-transferable common share purchase warrants, each warrant exercisable into one common share of the Company at an exercise price of US$0.41 per common share until June 24, 2020.

US$11.5 Million Bought Deal

In March 2019, the Company completed a bought deal offering of 17,968,750 common shares at US$0.64 per common share for gross proceeds of US$11.5 million ($15.3 million). The Underwriters as described above were paid a cash commission equal to 6% of the gross proceeds of the offering.

Private Placements

US$4.2 Million Private Placement

On January 17, 2020, the Company completed a non-brokered private placement of 11,346,783 common shares of the Company for gross proceeds of approximately US$4.2 million ($5.6 million). The shares were issued at the same price as the shares issued in the US$15.5 Million Underwritten Offering (described below). Common shares issued pursuant to the private placement are subject to applicable resale restrictions, including a four-month hold under Canadian securities legislation.

US$2.15 Million Private Placement

In August 2019, the Company completed a non-brokered private placement to investors outside of the United States of 2,866,665 common shares of the Company at the price of US$0.75 per common share for gross proceeds of approximately US$2.15 million ($2.8 million). Common shares issued pursuant to the private placement are subject to applicable resale restrictions, and were subject to a four-month hold period under Canadian securities legislation.

US$1.5 Million Private Placement

In June 2019, the Company completed a non-brokered private placement of 3,660,000 common shares of the Company at US$0.41 per common share for gross proceeds of approximately US$1.5 million ($2.0 million). The shares are subject to applicable resale restrictions, and were subject to a four-month hold period under Canadian securities legislation.

$3.2 Million Private Placement

In March 2019, the Company completed a non-brokered private placement of 3,769,476 common shares at a price of $0.86 (US$0.64) per common share for gross proceeds of approximately $3.2 million (US$2.4 million). The shares are subject to applicable resale restrictions, and were subject to a four month and one day hold under Canadian securities legislation.

US$11.5 Million Bought Deal

In March 2019, the Company completed a bought deal offering of 17,968,750 common shares at US$0.64 per common share for gross proceeds of US$11.5 million ($15.3 million). The Underwriters (as described above) were paid a cash commission equal to 6% of the gross proceeds of the offering.

Use of proceeds

The proceeds from the above 2019 financings are anticipated to be used for (i) operational expenditures, including engineering, environmental, permitting and evaluation expenses associated with the Pebble Project and the advancement of completion of USACE's EIS, (ii) ongoing outreach and engagement with political and regulatory offices in the Alaska state and US federal government, Alaska Native partners and broader regional and state-wide stakeholder groups, and (iii) general corporate purposes.

It remains one of the Company's goals to partner the Pebble Project.

1.2.4 Market Trends

In 2020, metal prices are being impacted significantly by the downturn in economic conditions related to the global COVID-19 epidemic.

Copper prices were variable in 2015 and 2016, and the average annual price decreased. Prices were variable to improving in 2017 resulting in an increase in the average annual price increase. Prices were variable in early 2018, trended downward from June to August, then improved through to the end of the year and into 2019. Prices decreased in April/May and were slightly variable through September when they increased, and remained stable until late January 2020 when they dropped sharply, losing the gain made in late 2019. Prices dropped again in March 2020 but have rebounded slightly since mid-month. A recent closing price is US$2.17/lb.

Gold prices were variable in 2015, with a decrease in the average annual price from the prior year. Prices trended upward for most of 2016. In 2017, prices were variable to increasing, but then dropped late in the year. After rebounding in January 2018, prices were relatively stable for several months, until dropping in the third quarter of 2018. Prices trended upward in the latter part of 2018 and early 2019, started a strong uptrend in May before stabilizing from September to December 2019. Gold prices trended upward from January to March 2020, when they dropped sharply to US$1,474/oz, but have rebounded since mid-month. A recent closing price is US$1,635/oz.

Molybdenum prices trended downward through the end of 2015. After being relatively flat in 2016, prices increased in 2017 and through most of 2018, and were steady from September to December 2018. Prices had varied only slightly in 2019, before dropping from October through to mid-January 2020. Molybdenum prices rebounded somewhat but have been on a downward trend for the most part in 2020, with a recent closing price of US$7.80/lb

Silver prices varied, and the average annual price decreased in 2015. Prices were variable to improving during most of 2016 and 2017. Prices declined in late 2017 but recovered in January 2018, and then were variable for the rest of the year, with a decrease in the average annual price in 2018. Prices were variable in 2019, but increased since late May and again in September, then trended downward, then stabilized in November and December. Silver prices increased in early January 2020, stabilized, then spiked again in late February 2020. Silver prices decreased significantly in March 2020 to US$12.00/oz, but have rebounded since mid-month. A recent closing price is US$14.42/oz.

Average annual prices of copper, gold, molybdenum and silver for the past four years as well as the average prices so far in 2020 are shown in the table below:

Year	Average metal price [1,2]			
	Copper US$/lb	Gold US$/oz	Molybdenum US$/lb	Silver US$/oz
2015	2.49	1,160	6.73	15.68
2016	2.21	1,251	6.56	17.14
2017	3.22	1,272	7.26	16.49
2018	2.96	1,269	11.94	15.71
2019	2.72	1,393	11.36	16.21
2020 (to March 26)	2.58	1,581	9.68	17.04

1. *Source for copper, gold and silver and molybdenum (2013-2017) is Argus Media at*www.metalprices.com
   LME Official Cash Price for copper and molybdenum (2013-2017)
   LBMA PM Price for gold
   London PM fix for silver
2. *Source for 2018, 2019, 2020 prices for molybdenum is Platts*

1.3 Selected Annual Information

The following selected annual information is from the audited consolidated financial statements, which have been prepared in accordance with IFRS. Unless otherwise stated, all monetary amounts are expressed in thousands of Canadian dollars except per share amounts, which are expressed in Canadian dollars.

	Fiscal year 2019	Fiscal year 2018	Fiscal year 2017
Total assets	$ 154,624	$ 161,924	$ 202,620
Total non-current liabilities	934	7,194	53,799
Total current liabilities	15,185	6,520	11,320
Exploration and evaluation expenses	53,014	50,409	22,594
General and administrative expenses	9,365	8,652	9,384
Legal, accounting and audit	2,416	2,419	26,358
Share-based compensation	3,970	4,734	5,858
Non-refundable early option price installment	–	(48,097)	–
Sale of royalty and royalty income	–	(648)	–
Other items [1]	428	(1,512)	671
Loss for the year	**$ 69,193**	**$ 15,957**	**$ 64,865**
Basic and diluted loss per common share	$ 0.19	$ 0.05	$ 0.22
Weighted average number of common shares outstanding ('000')	358,343	312,265	300,511

Notes

1. Other items include interest income, finance expense, exchange gains or losses and other income.

Discussion on period-to-period variances:

- The decrease in assets in 2019 vs 2018 is due primarily to the decrease in carrying value of the Company's mineral property, plant and equipment as the appreciation of the Canadian dollar in relation to US dollar resulted in an decrease in the carrying value in the Company's reporting currency, and to the decrease in cash and cash equivalents ("**Cash**") as the Company employed cash for its technical programs, which focused on the permitting process through the USACE, general corporate purposes and working capital. The decrease in assets in 2018 vs 2017 was due mainly to the decrease in Cash as the Company employed cash in its operations, primarily on its technical programs described previously.

- Non-current liabilities decreased in 2019 vs 2018 as the final $7,194 installment in legal success fees was transferred to current liabilities. However, the Company also recognized $934 as the non-current portion of lease liabilities. In 2018, the decrease from 2017 was due primarily to the Company recognizing the Non-refundable early option installment of $47,149 as income. Current liabilities increased in 2019 as the final installment in legal success fees (discussed above) is included, and $2,331 in loans (including interest) received pursuant to the Credit Facility.

- Exploration and evaluation expenses ("**E&E**") increased year on year as the Company continued to advance engineering studies, ongoing environmental monitoring and collection of additional data to support the EIS process.

- General and administrative expenses ("**G&A**") have fluctuated over the period due to the level of corporate and financing activities undertaken.

- Legal, accounting and audit expenses in 2019 were in line with 2018 but in 2018 had declined significantly vs 2017 as a result of the cessation of legal cases against the EPA. In 2017, with the EPA settlement, the Company recognized a success fee that became due to the Company's US legal counsel which was payable in three annual installments, two of which have been paid with the final installment due in 2020.

- In 2019, the Company recognized depreciation for right-of-use assets for the first time.

1.4 Summary and Discussion of Quarterly Results

All monetary amounts are expressed in thousands of dollars except per share amounts and where otherwise indicated. Minor differences are due to rounding.

Excerpts from Statements of Comprehensive Loss (Income)	Dec 31 2019	Sep 30 2019	Jun 30 2019	Mar 31 2019	Dec 31 2018	Sep 30 2018	Jun 30 2018	Mar 31 2018
Expenses								
Exploration and evaluation	$ 11,998	$ 14,265	$ 14,701	$ 12,050	$ 9,114	$ 16,847	$ 16,727	$ 7,721
General and administrative	2,122	2,723	2,171	2,349	2,470	1,909	1,992	2,281
Legal, accounting and audit	780	(45)	790	891	1,074	697	1	647
Share-based compensation	455	2,149	662	704	741	2,284	873	836
Non-refundable option installment [1]	–	–	–	–	–	–	(48,097)	–
Other items [2]	235	26	(50)	217	(902)	210	(1,075)	(393)
Loss (income) for the quarter	$ 15,590	$ 19,118	$ 18,274	$ 16,211	$ 12,497	$ 21,947	$ (29,579)	$ 11,092
Basic and diluted loss (income) per common share	$ 0.04	$ 0.05	$ 0.05	$ 0.05	$ 0.04	$ 0.07	$ (0.09)	$ 0.04
Weighted average number of common shares (000s)	387,352	371,605	346,717	326,902	314,449	312,491	312,062	310,006

1. The Company recognized the Non-refundable Option Installment received in Q4 2017 as income on termination of the framework agreement in Q2 2018.

2. Other items include interest income, finance expense, exchange gains or losses, gain or loss on disposal of financial assets and plant and equipment, gains and loss on revaluation of warrants and non-core asset royalty income.

Discussion of Quarterly Trends

E&E has fluctuated depending on activities undertaken. In 2018, the Company focused on environmental monitoring, engineering studies to support permitting and responding to USACE requests for information in the EIS scoping process. In 2019, the Company focused on planning and deploying site investigations related to supporting the EIS process and the natural gas pipeline right-of-way application and continued to respond to USACE requests for information relating to the Draft EIS for USACE's process to develop a final EIS. With the latter Draft EIS, the Company completed its review and submitted its comments to USACE. Further details are discussed in *Engineering* under Section 1.2.1.2. E&E also includes costs for Native community engagement, site leases, land access agreements and annual claim fees.

G&A have increased in 2019 as compared to 2018 as a result of the multiple financing activities undertaken. In addition, the payments of a discretionary performance bonus to the Pebble Partnership CEO ("**PLP CEO**") in Q4 2018 and Q3 2019, and the payment of incentive bonuses to certain staff in Q1 2019 and Q4 2019, impacted G&A.

In Q2 2018, Q3 and Q4 2019, legal, accounting and audit expenses decreased as the Company received insurance proceeds for cumulative securities class action legal costs incurred, which offset expenses in each of these quarters. In Q4 2018, legal fees included a bonus payment of approximately US$0.3 million relating to securities law advice provided during the year by the Company's US legal counsel.

Share-based compensation expense ("**SBC**") has fluctuated due to the timing and quantum of share purchase option (" **option**") grants and the vesting periods associated with these grants. The Company granted 6,610,500 options and 5,635,000 options in Q3 2019 and 2018, respectively. Grants of RSUs also affect SBC. The most recent grants were in Q3 2018 (125,000 RSUs) and 2017 (542,371 RSUs).

1.5 Results of Operations

The following financial data has been prepared from the Financial Statements, and is expressed in *thousands* of Canadian dollars unless otherwise stated.

The Company's operations and business are not driven by seasonal trends, but rather are driven towards the achievement of project milestones relating to the Pebble Project such as the achievement of various technical, environmental, socio-economic and legal objectives, including obtaining the necessary permits, the completion of pre-feasibility and final feasibility studies, preparation of engineering designs, as well as receipt of financings to fund these objectives along with mine construction.

1.5.1 Results of Operations – Three months and Year ended December 31, 2019 versus 2018

For the three months ended December 31, 2019, the Company recorded a $3.1 million increase in net loss. Loss from operating activities increased by $1.9 million to $15.3 million due mainly to an increase in E&E of $2.9 million.

For the year ended December 31, 2019, the Company recorded a net loss of $69.2 million compared to a net loss of $16.0 million in 2018, which was due to the recognition as income in 2018 of the non-refundable early option price installment ("**Non-refundable Option Installment**") of $48.1 million on termination of the framework agreement with First Quantum Minerals Ltd. Loss from operating activities increased by $2.6 million to $68.8 million due primarily to an increase in E&E of $2.6 million.

Exploration and evaluation expenses

The breakdown of E&E for the three months and year as compared to 2018 is as follows:

E&E	Three months		Year	
	2019	2018	**2019**	2018
Engineering	$ 1,865	$ 1,521	$ 19,129	$ 11,377
Environmental	3,512	4,728	14,699	17,425
Property fees	1,825	8	1,839	1,405
Site activities	1,072	473	4,347	5,658
Socio-economic	2,481	2,108	9,637	10,306
Transportation	1,073	140	2,786	3,163
Other activities and travel	170	136	577	1,075
Total	**$ 11,998**	$ 9,114	**$ 53,014**	$ 50,409

E&E increased by $2.9 million in the current quarter due to the increase in property fees, due to the timing of when annual claim fees were recognized, and an increase in site activities and transportation due to timing of geotechnical drilling. For the year, E&E increased by $2.6 million as the increase in engineering costs of $7.8 million was offset by decreases in the remaining E&E line items. Engineering was focused on advancing engineering studies and responding to information requests from the USACE (refer Engineering under Section 1.2.1.2).

General and administrative expenses

The following table provides a breakdown of G&A, and legal, accounting and audit expenses incurred in the three months and year as compared to 2018:

	Three months		Year	
	2019	2018	**2019**	2018
G&A				
Conference and travel	$ 88	$ 212	$ 448	$ 553
Consulting	362	71	1,002	269
Depreciation of right-of-use assets	56	—	223	—
Insurance	176	171	689	555
Office costs, including information technology	201	240	867	1,054
Management and administration	988	1,559	4,950	4,946
Shareholder communication	238	175	917	951
Trust and filing	13	42	269	324
Total G&A	**2,122**	2,470	**9,365**	8,652
Legal, accounting and audit	780	1,074	2,416	2,419
	$ 2,902	$ 3,544	**$ 11,781**	$ 11,071

G&A in the current quarter decreased by $0.3 million mainly due to the decrease in management and administration costs, which was due the timing of the payment of a discretionary performance bonus to the PLP CEO for the 2018 fiscal year, and conference and travel costs. This was offset by the increase in consulting expenses due to the financing activity undertaken in the quarter. Legal, accounting and audit expenses decreased by $0.3 million due primarily to legal costs being offset by the receipt of insurance proceeds for cumulative securities class action costs incurred.

For the year, G&A increased by $0.7 million due primarily to the increase in management and administration and consulting costs, as the Company completed multiple financings. Additionally, in 2019, the Company incurred higher insurance costs and recognized depreciation for right-of-use assets for the first time.

SBC has fluctuated due to the timing and quantum of option grants, RSUs and DSUs and the vesting periods associated with these grants. There were 6,610,500 options granted in the third quarter of 2019 as compared to 5,635,000 options granted in third quarter of 2018.

1.5.2 Financial position as at December 31, 2019 versus December 31, 2018

The total assets of the Company decreased by $7.3 million due largely to the decrease in carrying value of the Company's mineral property, plant and equipment as the appreciation of the Canadian dollar in relation to US dollar resulted in an decrease in the carrying value in the Company's reporting currency.

1.6 Liquidity

The Company's major sources of funding have been the issuance of equity securities for cash, primarily through private placements and prospectus offerings to sophisticated investors and institutions, and the issue of common shares pursuant to the exercise of options and warrants. The Company's access to financing is always uncertain. There can be no assurance of continued access to equity funding.

As at December 31, 2019, the Company had cash and cash equivalents of $14.0 million, which is a decrease of $0.8 million from December 31, 2018. In 2019, the Company completed three bought deals and an underwritten offering for gross proceeds of US$43.5 million ($57.8 million) and three private placement financings for gross proceeds of approximately US$6.0 million ($8.0 million) (see *1.2.3 Financings*). The Company employed $64.7 million in its operating activities in the year ended December 31, 2019. In December 2019, the Company drew $2.3 million pursuant to Credit Facility for working capital. The Credit Facility was repaid in January and February 2020. Although the Company was able to close a private placement for gross proceeds of approximately US$4.2 million in January 2020, of which US$0.5 million was received in December 2019, and the Company has prioritized the allocation of its available financial resources to meet key corporate and Pebble Project expenditure requirements in the near term, additional financing will be required to progress any material expenditures at the Pebble Project including the finalizing of permitting and for working capital. There can be no assurances that the Company will be successful in obtaining additional financing at that point. If the Company is unable to raise the necessary capital resources to meet obligations as they come due, the Company will have to reduce or curtail its operations at some point.

At December 31, 2019, the Company had a negative working capital of $0.2 million as compared to a positive working capital of $9.7 million at December 31, 2018. The Company has no lease obligations or any other long-term obligations other than those disclosed below:

The following commitments and payables (expressed in *thousands)* existed at December 31, 2019:

			Payments due by period as of the reporting date		
	Total	≤ 1 year	1-5 years	> 5 years
Trade and other payables [1]	**$ 12,401**	$ 12,401	$ –	$ –
Payables to related parties [2]	**1,095**	1,095	–	–
Lease commitments [3]	**1,618**	391	884	343
Loans payable [4]	**1,360**	1,360		
Total	**$ 16,474**	$ 15,247	$ 884	$ 343

Notes to table

1. Includes legal fees due to legal counsel of US$5,274, due December 24, 2020, and US$635 payable on completion of a partnering transaction.

2. Includes $971 for loans provided pursuant to the Credit Facility.

3. Relates to the undiscounted lease payments to be made by the Company over the remaining lease terms.

4. Relates to the loans provided pursuant to the Credit Facility.

5. US dollar amounts have been converted at the closing rate of $1.2990/ US dollar.

The Company has no "Purchase Obligations", defined as any agreement to purchase goods or services that is enforceable and legally binding on the Company that specifies all significant terms, including fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. The Company is responsible for maintenance payments on the Pebble Project claims and payment of annual toll payments and fees pursuant to the right of way agreements (see *Right-of-Way Agreements* under Section 1.2.1.1 Project Background and Status), and has payments relating to routine site and office leases (which is included in the table above).

1.7 Capital Resources

The Company's capital resources consist of its cash reserves, which include its cash and equivalents. As at December 31, 2019, other than noted in 1.6 *Liquidity*, the Company has no other long-term debt and no commitments for material capital expenditures.

The Company has no lines of credit or other sources of financing.

1.8 Off-Balance Sheet Arrangements

As at December 31, 2019, the Company had no off-balance sheet arrangements.

1.9 Transactions with Related Parties

Transactions with Hunter Dickinson Services Inc. ("HDSI")

Hunter Dickinson Inc. ("**HDI**") and its wholly owned subsidiary, HDSI are private companies established by a group of mining professionals engaged in advancing and developing mineral properties for a number of private and publicly-listed exploration companies, one of which is the Company.

Current directors of the Company namely Robert Dickinson and Ron Thiessen, who is also Chief Executive Officer of the Company, are active members of the HDI Board of Directors. Mark Peters, the Company's Chief Financial Officer ("**CFO**")[4], is the CFO of HDSI. Other key management personnel of the Company – Doug Allen, Stephen Hodgson[5], Bruce Jenkins and Trevor Thomas – are active members of HDI's senior management team.

The business purpose of the related party relationship

HDSI provides technical, geological, corporate communications, regulatory compliance, administrative and management services to the Company, on an as-needed and as-requested basis from the Company.

HDSI also incurs third party costs on behalf of the Company. Such third party costs include, for example, directors and officers insurance, travel, conferences, and technology services.

As a result of this relationship with HDSI, the Company has ready access to a range of diverse and specialized expertise on a regular basis, without having to engage or hire full-time experts. The Company benefits from the economies of scale created by HDSI.

The measurement basis used

The Company procures services from HDSI pursuant to an agreement (the "Services Agreement") dated July 2, 2010 whereby HDSI agreed to provide technical, geological, corporate communications, administrative and management services to the Company. A copy of the Services Agreement is publicly available under the Company's profile at www.sedar.com.

Services from HDSI are provided on a non-exclusive basis as required and as requested by the Company. The Company is not obligated to acquire any minimum amount of services from HDSI. The fees for services is determined based on an agreed upon charge-out rate for each employee performing the service and the time spent by the employee. The charge-out rate also includes overhead costs such as office rent, information technology services and administrative support. Such charge-out rates are agreed and set annually in advance.

[4] Mark Peters joined the Company as CFO, replacing Marchand Snyman who resigned from his role with effect from April 2, 2019.

[5] Stephen Hodgson is employed though a subsidiary of HDSI, Hunter Dickinson Servicepay (US) Inc., and provides services to the Pebble Partnership on a full time basis as Senior Vice President, *Engineering & Project Director*.

Third party expenses are billed at cost, without any markup.

Ongoing contractual or other commitments resulting from the related party relationship

Other than noted below, there are no ongoing contractual or other commitments resulting from the Company's transactions with HDSI, other than the payment for services already rendered and billed. The agreement may be terminated upon 60 days' notice from either party.

The Company has an office use agreement with HDSI whereby the Company rents a specified office from HDSI for its sole use.

Transactions during the Reporting Period and Balances with HDSI at the end of the Reporting Period

Disclosure as to transactions with HDSI and any amounts due to or from HDSI is provided in Note 8 in the notes to the Financial Statements which accompany this MD&A and which are available under the Company's profile at www.sedar.com.

Key Management Personnel

The required disclosure for the remuneration of the Company's key management personnel is provided in Note 8 in the notes to the Financial Statements which accompany this MD&A and which are available under the Company's profile at www.sedar.com.

1.10 Fourth Quarter

Discussed in Section *1.5.1 Results of Operations – Three months and Year ended December 31, 2019 versus 2018*

1.11 Proposed Transactions

There are no proposed asset or business acquisitions or dispositions, other than those in the ordinary course, before the Board of Directors for consideration.

1.12 Critical Accounting Estimates

The required disclosure is provided in Note 2 in the notes to the Financial Statements which accompany this MD&A and which are available under the Company's profile at www.sedar.com.

1.13 Changes in Accounting Policies including Initial Adoption

The required disclosure is provided in Note 2 in the notes to the Financial Statements which accompany this MD&A and which are available under the Company's profile at www.sedar.com.

1.14 Financial Instruments and Other Instruments

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and cash equivalents and restricted cash and amounts receivable. The Company limits the exposure to credit risk by only investing with high-credit quality financial institutions in business and saving accounts, guaranteed investment certificates, government treasury bills, low risk corporate bonds and money market funds, which are available on demand by the Group as and when required or mature in timeframes appropriate to the needs of the Company. There has been no change in the Company's objectives and policies for managing this risk except for changes in the carrying amounts of financial assets exposed to credit risk, and there was no significant change to the Company's exposure to credit risk during the year ended December 31, 2019. Amounts receivable include receivable balances with government agencies, prepaid expenses and refundable deposits. Management has concluded that there is no objective evidence of impairment to the Company's amounts receivable.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. There has been no change in the Company's objectives and policies for managing this risk. The Company's liquidity position is discussed further in Section 1.6 *Liquidity*.

Foreign Exchange Risk

The Company is subject to both currency transaction risk and currency translation risk: Group entities, the Pebble Partnership, Pebble Services Inc. and U5 Resources Inc., have the US dollar as functional currency; and certain of the Company's corporate expenses are incurred in US dollars. The fluctuation of the US dollar in relation to the Canadian dollar has an impact upon the losses incurred by the Company as well as the value of the Company's assets as the Company's functional and presentation currency is the Canadian dollar. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

There has been no change in the Company's objectives and policies for managing this risk, except for the changes in the carrying amounts of the financial assets exposed to foreign exchange risk. As a result, the Company's exposure to foreign exchange risk has decreased as follows:

US dollar denominated financial assets and liabilities (in Canadian Dollars)	**December 31 2019**	December 31 2018
Financial assets:		
Amounts receivable	$ 263	$ 627
Restricted Cash	805	830
Cash and cash equivalents	13,285	9,693
	14,353	11,150
Financial liabilities:		
Long term payables	(932)	(7,194)
Warrant liabilities	(43)	–
Payables to related parties	(24)	(146)
Trade and other payables	(12,426	(5,834)
	(13,425)	(13,174)
Net financial liabilities exposed to foreign currency risk	$ (928)	$ (2,024)

Based on the above net exposures and assuming that all other variables remain constant, a 10% change in the value of the Canadian dollar relative to the US dollar would result in a gain or loss of $93 (2018 – $202) in the period. This sensitivity analysis includes only outstanding foreign currency denominated monetary items.

Interest rate risk

The Company is subject to interest rate risk with respect to its investments in cash and cash equivalents. There has been no change in the Company's objectives and policies for managing this risk and no significant change to the Company's exposure to interest rate risk during the year ended December 31, 2019.

Commodity price risk

While the value of the Company's Pebble Project is related to the price of copper, gold, molybdenum and silver and the outlook for these minerals, the Company currently does not have any operating mines and hence does not have any hedging or other commodity based risks in respect of its operational activities.

Copper, gold, molybdenum and silver prices have fluctuated widely historically and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors related specifically to gold.

Capital Management

The Company's policy is to maintain a strong capital base to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company currently consists of equity, comprising share capital and reserves, net of accumulated deficit.

There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

1.15 Other MD&A Requirements

Additional information relating to the Company, including the Company's *2019 Annual Information Form*, is available under the Company's profile on SEDAR at www.sedar.com.

1.15.1 Disclosure of Outstanding Share Data

The capital structure of the Company as of as of the date of this MD&A, is as follows:

	Number
Common shares issued and outstanding	436,631,503
Share options pursuant to the Company's incentive plan	25,746,266
Deferred share units	458,129
Restricted share units	–
Warrants and non-incentive plan options [1]	31,772,941

Note to table:

1. Non-incentive plan options make up 223,250 of the total. These were issued on the acquisition of Cannon Point in October 2015. Warrants make up the balance and were issued pursuant to the acquisition of Mission Gold in December 2015, prospectus financings in June 2016 and 2019, a private placement financing in July 2016 and the Credit Facility.

1.15.2 Disclosure Controls and Procedures

The Company's management, with the participation of its CEO and CFO have evaluated the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the Company's CEO and CFO have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods and is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

1.15.3 Management's Report on Internal Control over Financial Reporting ("ICFR")

The Company's management, including the CEO and the CFO, is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting ("**ICFR**") is a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS. The Company's ICFR includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

The Company's management assessed the effectiveness of the Company's ICFR as of December 31, 2019. In making the assessment, it used the criteria set forth in the *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("**COSO**"). Based on their assessment, management has concluded that, as of December 31, 2019, the Company's ICFR was effective based on those criteria.

1.15.4 Changes in Internal Control over Financial Reporting

There has been no change during the three months and for the full year in the Company's ICFR that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

1.15.5 Limitations of Controls and Procedures

The Company's management, including its CEO and CFO, believe that any system of disclosure controls and procedures or ICFR, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Furthermore, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty and breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

1.15.6 Risk Factors

The securities of Northern Dynasty are highly speculative and subject to a number of risks. A prospective investor or other person reviewing Northern Dynasty for a prospective investor should not consider an investment in Northern Dynasty unless the investor is capable of sustaining an economic loss of their entire investment. The risks associated with Northern Dynasty's business include:

Impact of the Novel Coronavirus ("COVID-19")

The current outbreak of COVID-19, and any future emergence and spread of similar pathogens, could have a material adverse effect on global and local economic and business conditions which may adversely impact our business and results of operations and the operations of contractors and service providers. The outbreak has now spread to the United States and Canada where we conduct our principal business operations. Our plans to advance the development of the Pebble Project are dependent upon the continued progress of our approval and permitting process with the USACE, the EPA and Alaskan state agencies, as well as our ability to continue the work required in connection with this process through our employees and our contractors. While we have not been notified of any delay, it is possible that government efforts to curtail the COVID-19 outbreak will result in delays in our permitting process, including a possible delay in the release by the USACE of their Final EIS and the progress through to a Record of Decision. In addition, our personnel may be delayed in completing the required work that we are pursuing in connection with this process due to quarantine, self-isolation, social distancing, restrictions on travel, restrictions on meetings and work from home requirements. The extent to which the coronavirus impacts our operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak, new information that may emerge concerning the severity of the coronavirus and the actions taken to contain the coronavirus or treat its impact, among others. Moreover, the spread of the coronavirus globally is expected to have a material adverse effect on global and regional economies and to continue to negatively impact stock markets, including the trading price of our shares. These adverse effects on the economy, the stock market and our share price could adversely impact our ability to raise capital, with the result that our ability to pursue development of the Pebble Project could be adversely impacted, both through delays and through increased costs. Any of these developments, and others, could have a material adverse effect on our business and results of operations and could delay our plans for development of the Pebble Project.

Inability to Ultimately Achieve Mine Permitting and Build a Mine at the Pebble Project.

The Company may ultimately be unable to secure the necessary permits under United States Federal and Alaskan State laws to build and operate a mine at the Pebble Project. There is no assurance that the EPA will not seek to undertake future regulatory action to impede or restrict the Pebble Project. In addition, there are prominent and well organized opponents of the Pebble Project and the Company may be unable, even if we present solid scientific and technical evidence of risk mitigation, to overcome such opposition and convince governmental authorities that a mine should be permitted at the Pebble Project. The Company faces not only the permitting and regulatory issues typical of companies seeking to build a mine, but additional public and regulatory scrutiny due to its location and likely size. Accordingly, there is no assurance that the Company will obtain the required permits. The Company has filed a CWA 404 permit application with the USACE, which triggered an EIS process under NEPA. The EIS process under NEPA and the requirement for the Company to secure a broad range of other permits and authorizations from multiple federal and state regulatory agencies will take several years. After all permits necessary to begin construction are in hand, a number of years would be required to finance and build a mine and commence operations. During these periods, the Company would likely have no income and so would require additional financing to continue its operations. Unless and until we build a mine at the Pebble Project, we will be unable to achieve revenues from operations and may not be able to sell or otherwise recover our investment in the Pebble Project, which would have a material adverse effect on the Company and an investment in the Company's common shares.

Risk of Secure Title or Property Interest

There can be no certainty that title to any property interest acquired by the Company or any of its subsidiaries is without defects. Although the Company has taken reasonable precautions to ensure that legal title to its properties is properly documented, there can be no assurance that its property interests may not be challenged or impugned. Such property interests may be subject to prior unregistered agreements or transfers or other land claims, and title may be affected by undetected defects and adverse laws and regulations.

The Pebble Partnership's mineral concessions at Pebble are located on State of Alaska lands specifically designated for mineral exploration and development. Alaska is a stable jurisdiction with a well-developed regulatory and legal framework for resource development and public lands management, a strong commitment to the rule of law and lengthy track record for encouraging investment in the development if its land and natural resources.

The Pebble Project is Subject to Political and Environmental Regulatory Opposition

As is typical for a large-scale mining project, the Pebble Project faces organized opposition from certain individuals and organizations who are motivated to preclude any possible mining in the Bristol Bay Watershed (the "**BBW**"). The BBW is an important wildlife and salmon habitat area. Accordingly, one of the greatest risks to the Pebble Project is seen to be political/permitting risk, which may ultimately preclude construction of a mine at the Pebble Project. Opposition may include legal challenges to exploration and development permits, which may delay or halt development. Other tactics may also be employed by opposition groups to delay or frustrate development at Pebble, included political and public advocacy, electoral strategies, media and public outreach campaigns and protest activity.

The Pebble Partnership's Mineral Property Interests Do Not Contain Any Ore Reserves or Any Known Body of Economic Mineralization

Although there are known bodies of mineralization on the Pebble Project, and the Pebble Partnership has completed core drilling programs within, and adjacent to, the deposits to determine measured and indicated resources, there are currently no known reserves or body of commercially viable ore and the Pebble Project must be considered an exploration and feasibility evaluation project only. Extensive additional work is required before Northern Dynasty or the Pebble Partnership can ascertain if any mineralization may be economic and hence constitute "ore".

Mineral Resources Disclosed by Northern Dynasty or the Pebble Partnership for the Pebble Project are Estimates Only

Northern Dynasty has included mineral resource estimates that have been made in accordance with 43-101. These resource estimates are classified as "measured resources", "indicated resources" and "inferred resources". Northern Dynasty advises United States investors that although with the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources", there is no assurance any mineral resources that Northern Dynasty may report as "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" under 43-101 would be the same had Northern Dynasty prepared the resource estimates under the standards adopted under the SEC Modernization Rules. Investors are cautioned not to assume that any part or all of mineral deposits classified as "measured resources" or "indicated resources" will ever be converted into ore reserves. Further, "inferred resources" have a great amount of uncertainty as to their existence, and economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian securities law, estimates of "inferred mineral resources" cannot form the basis of feasibility or prefeasibility studies, except in rare cases. Investors are cautioned not to assume that part or all of an "inferred resource" exists, or is economically or legally mineable.

All amounts of mineral resources are estimates only, and Northern Dynasty cannot be certain that any specified level of recovery of metals from the mineralized material will in fact be realized or that the Pebble Project or any other identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body that can be economically exploited. Mineralized material which is not mineral reserves does not have demonstrated economic viability. In addition, the quantity of mineral reserves and mineral resources may vary depending on, among other things, metal prices and actual results of mining. There can be no assurance that any future economic or technical assessments undertaken by the Company with respect to the Pebble Project will demonstrate positive economics or feasibility.

Negative Operating Cash Flow

The Company currently has a negative operating cash flow and will continue to operate this way for the foreseeable future. Accordingly, the Company will require substantial additional capital in order to fund its future exploration and development activities. The Company does not have any arrangements in place for this funding and there is no assurance that such funding will be achieved when required. Any failure to obtain additional financing or failure to achieve profitability and positive operating cash flows will have a material adverse effect on its financial condition and results of operations.

Northern Dynasty Has No History of Earnings and No Foreseeable Earnings, and May Never Achieve Profitability or Pay Dividends

Northern Dynasty has only had losses since inception and there can be no assurance that Northern Dynasty will ever be profitable. Northern Dynasty has paid no dividends on its shares since incorporation. Northern Dynasty presently has no ability to generate earnings from its mineral properties as its mineral properties are in the pre-development stage.

Northern Dynasty's Consolidated Financial Statements have been Prepared Assuming Northern Dynasty will continue on a Going Concern Basis

Northern Dynasty has prepared its Financial Statements on the basis that Northern Dynasty will continue as a going concern. At December 31, 2019, Northern Dynasty had a negative working capital of $0.2 million. Although Northern Dynasty in the year ended December 31, 2019, completed a number of financings for gross proceeds of approximately US$49.5 million ($65.8 million) and closed a private placement of US$4.2 million ($5.6 million) in January 2020 (of which $0.7 million was received in December 2019), additional financing will be required in 2020 for continued corporate expenditures and material expenditures at the Pebble Project. Northern Dynasty's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interest are entirely dependent upon the existence of economically recoverable mineral reserves at the Pebble Project, the ability of the Company to finance its operating costs, the completion of the exploration and development of the Pebble Project, the Pebble Partnership obtaining the necessary permits to mine, and on future profitable production at the Pebble Project. Furthermore, failure to continue as a going concern would require that Northern Dynasty's assets and liabilities be restated on a liquidation basis, which would likely differ significantly from their going concern assumption carrying values. Refer also to discussion in 1.6 *Liquidity*.

As the Pebble Project is Northern Dynasty's only Mineral Property Interest, the Failure to establish that the Pebble Project Possesses Commercially Viable and Legally Mineable Deposits of Ore may cause a Significant Decline in the Trading Price of Northern Dynasty's Common Shares and reduce its ability to obtain New Financing

The Pebble Project is, through the Pebble Partnership, Northern Dynasty's only mineral project. Northern Dynasty's principal business objective is to carry out further exploration and related activities to establish whether the Pebble Project possesses commercially viable deposits of ore. If Northern Dynasty is not successful in its plan of operations, Northern Dynasty may have to seek a new mineral property to explore or acquire an interest in a new mineral property or project. Northern Dynasty anticipates that such an outcome would adversely impact the price of Northern Dynasty's common shares. Furthermore, Northern Dynasty anticipates that its ability to raise additional financing to fund exploration of a new property or the acquisition of a new property or project would be impaired as a result of the failure to establish commercial viability of the Pebble Project.

If prices for copper, gold, molybdenum and silver decline, Northern Dynasty may not be able to raise the additional financing required to fund expenditures for the Pebble Project

The ability of Northern Dynasty to raise financing to fund the Pebble Project will be significantly affected by changes in the market price of the metals for which it explores. The prices of copper, gold, molybdenum and silver are volatile, and are affected by numerous factors beyond Northern Dynasty's control. The level of interest rates, the rate of inflation, the world supplies of and demands for copper, gold, molybdenum and silver and the stability of exchange rates can all cause fluctuations in these prices. Such external economic factors are influenced by changes in international investment patterns and monetary systems and political developments. The prices of copper, gold, molybdenum and silver have fluctuated in recent years, and future significant price declines could cause investors to be unprepared to finance exploration of copper, gold, molybdenum and silver, with the result that Northern Dynasty may not have sufficient financing with which to fund its activities related to the advancement of the Pebble Project.

Mining is Inherently Dangerous and Subject to Conditions or Events beyond the Company's Control, which could have a Material Adverse Effect on the Company's Business

Hazards such as fire, explosion, floods, structural collapses, industrial accidents, unusual or unexpected geological conditions, ground control problems, power outages, inclement weather, seismic activity, cave-ins and mechanical equipment failure are inherent risks in the Company's exploration, development and mining operations. These and other hazards may cause injuries or death to employees, contractors or other persons at the Company's mineral properties, severe damage to and destruction of the Company's property, plant and equipment and mineral properties, and contamination of, or damage to, the environment, and may result in the suspension of the Company's exploration and development activities and any future production activities. Safety measures implemented by the Company may not be successful in preventing or mitigating future accidents.

Northern Dynasty Competes with Larger, Better Capitalized Competitors in the Mining Industry

The mining industry is competitive in all of its phases, including financing, technical resources, personnel and property acquisition. It requires significant capital, technical resources, personnel and operational experience to effectively compete in the mining industry. Because of the high costs associated with exploration, the expertise required to analyze a project's potential and the capital required to develop a mine, larger companies with significant resources may have a competitive advantage over Northern Dynasty. Northern Dynasty faces strong competition from other mining companies, some with greater financial resources, operational experience and technical capabilities than Northern Dynasty possesses. As a result of this competition, Northern Dynasty may be unable to maintain or acquire financing, personnel, technical resources or attractive mining properties on terms Northern Dynasty considers acceptable or at all.

Compliance with Environmental Requirements will take Considerable Resources and Changes to these Requirements could Significantly Increase the Costs of Developing the Pebble Project and Could Delay These Activities

Northern Dynasty and the Pebble Partnership must comply with stringent environmental legislation in carrying out work on the Pebble Project. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Changes in environmental legislation could increase the cost to the Pebble Partnership of carrying out its exploration and, if warranted, development of the Pebble Project. Further, compliance with new or additional environmental legislation may result in delays to the exploration and, if warranted, development activities.

Changes in Government Regulations or the Application thereof and the Presence of Unknown Environmental Hazards on Northern Dynasty's Mineral Properties May Result in Significant Unanticipated Compliance and Reclamation Costs

Government regulations relating to mineral rights tenure, permission to disturb areas and the right to operate can adversely affect Northern Dynasty. Northern Dynasty and the Pebble Partnership may not be able to obtain all necessary licenses and permits that may be required to carry out exploration at the Pebble Project. Obtaining the necessary governmental permits is a complex, time-consuming and costly process. The duration and success of efforts to obtain permits are contingent upon many variables not within our control. Obtaining environmental permits may increase costs and cause delays depending on the nature of the activity to be permitted and the interpretation of applicable requirements implemented by the permitting authority. There can be no assurance that all necessary approvals and permits will be obtained and, if obtained, that the costs involved will not exceed those that we previously estimated. It is possible that the costs and delays associated with the compliance with such standards and regulations could become such that we would not proceed with the development or operation of a mine at the Pebble Project.

Litigation

The Company is, and may in future be subject to legal proceedings, including with regard to actions discussed in 1.2.2. *Legal Matters* in the pursuit of its Pebble Project. Given the uncertain nature of these actions, the Company cannot reasonably predict the outcome thereof. If the Company is unable to resolve these matters favorably, it will likely have a material adverse effect of the Company.

Northern Dynasty is Subject to Many Risks that are Not Insurable and, as a Result, Northern Dynasty will Not Be Able to Recover Losses through Insurance Should Such Certain Events Occur

Hazards such as unusual or unexpected geological formations and other conditions are involved in mineral exploration and development. Northern Dynasty may become subject to liability for pollution, cave-ins or hazards against which it cannot insure. The payment of such liabilities could result in increase in Northern Dynasty's operating expenses, which could, in turn, have a material adverse effect on Northern Dynasty's financial position and its results of operations. Although Northern Dynasty and the Pebble Partnership maintain liability insurance in an amount which we consider adequate, the nature of these risks is such that the liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or Northern Dynasty and the Pebble Partnership might elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event Northern Dynasty could incur significant liabilities and costs that could materially increase Northern Dynasty's operating expenses.

If Northern Dynasty Loses the Services of the Key Personnel that it Engages to Undertake its Activities, then Northern Dynasty's Plan of Operations May Be Delayed or be More Expensive to Undertake than Anticipated

Northern Dynasty's success depends to a significant extent on the performance and continued service of certain independent contractors, including HDSI (refer 1.9 *Transactions with Related Parties*). The Company has access to the full resources of HDSI, an experienced exploration and development firm with in-house geologists, engineers and environmental specialists, to assist in its technical review of the Pebble Project. There can be no assurance that the services of all necessary key personnel will be available when required or if obtained, that the costs involved will not exceed those that we previously estimated. It is possible that the costs and delays associated with the loss of services of key personnel could become such that we would not proceed with the development or operation of a mine at the Pebble Project.

The Market Price of Northern Dynasty's Common Shares is Subject to High Volatility and Could Cause Investor Loss.

The market price of a publicly traded stock, especially a resource issuer like Northern Dynasty, is affected by many variables in addition to those directly related to exploration successes or failures. Such factors include the general condition of markets for resource stocks, the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public markets for the stock. The effect of these and other factors on the market price of the Company's common shares suggests Northern Dynasty's shares will continue to be volatile. Therefore, investors could suffer significant losses if Northern Dynasty's shares are depressed or illiquid when an investor needs to sell Northern Dynasty shares.

Northern Dynasty Will Require Additional Funding to Meet the Development Objectives of the Pebble Project.

Northern Dynasty will need to raise additional financing (through share issuances, debt or asset level partnering) to achieve permitting and development of the Pebble Project. In addition, a positive production decision at the Pebble Project would require significant capital for project engineering and construction. Accordingly, the continuing permitting and development of the Pebble Project will depend upon Northern Dynasty's ability to obtain financing through debt financing, equity financing, the joint venturing of the project, or other means. There can be no assurance that Northern Dynasty will be successful in obtaining the required financing, or that it will be able to raise the funds on terms that do not result in high levels of dilution to shareholders.

Exhibit 99.7



ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2019

This annual information form ("AIF") is as of March 26, 2020

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Item 2. Preliminary Notes

This AIF contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Wherever possible, words such as "plans", "expects", or "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify forward-looking information.

Forward-looking information in this AIF include, without limitation, statements regarding:

- the uncertainties with respect to the effects of COVID-19;
- our expectations regarding the potential for securing the necessary permits for a mine at the Pebble Project and our ability to establish that such a permitted mine can be economically developed;
- the timing of the completion of the United States Army Corps of Engineers (" **USACE**") Environmental Impact Statement (" **EIS**") and the issuance of the Record of Decision by the USACE;
- our ability to successfully apply for and obtain the federal and state permits required for the Pebble Project under the Clean Water Act ("**CWA**"), the National Environmental Policy Act (" **NEPA**"), and relevant Alaska state legislation;
- our plan of operations, including our plans to carry out and finance exploration and development activities and for working capital purposes and our expectations regarding our cash and working capital requirements;
- our ability to raise capital, including our plans to carry out and finance exploration and development activities and meet working capital requirements;
- our expected financial performance in future periods;
- our expectations regarding the exploration and development potential of the Pebble Project;
- the outcome of any legal proceedings in which we are engaged; and
- factors relating to our investment decisions.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. We believe that the assumptions and expectations reflected in such forward-looking information are reasonable.

Key assumptions upon which the Company's forward-looking information are based include:

- that we will be able to secure sufficient capital necessary for continued environmental assessment and permitting activities and engineering work which must be completed prior to any potential development of the Pebble Project which would then require engineering and financing in order to advance to ultimate construction;
- that we will ultimately be able to demonstrate that a mine at the Pebble Project can be economically developed and operated in an environmentally sound and socially responsible manner, meeting all relevant federal, state and local regulatory requirements so that we will be ultimately able to obtain permits authorizing construction of a mine at the Pebble Project;
- that the market prices of copper, gold, molybdenum and silver will not decline significantly or stay depressed for a lengthy period of time;
- that key personnel will continue their employment with us; and
- that we will continue to be able to secure minimum adequate financing on acceptable terms.

Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions, which may have been used. Forward looking statements are also subject to risks and uncertainties facing our business, any of which could have a material impact on our outlook.

Some of the risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements include:

- an inability to ultimately obtain permitting for a mine at the Pebble Project;
- an inability to establish that the Pebble Project may be economically developed and mined or contain commercially viable deposits of ore based on a mine plan for which government authorities are prepared to grant permits;
- the USACE may be delayed in completing the EIS and issuing its Record of Decision;
- an inability to complete a partnering transaction on terms satisfactory to the Company;
- an inability to continue to fund exploration and development activities and other operating costs;
- the highly cyclical and speculative nature of the mineral resource exploration and development business;
- the pre-development stage economic viability and technical uncertainties of the Pebble Project and the lack of known reserves on the Pebble Project;
- an inability to recover even the financial statement carrying values of the Pebble Project if we cease to continue on a going concern basis;
- the potential for loss of the services of key executive officers;
- a history of, and expectation of further, financial losses from operations impacting our ability to continue on a going concern basis;
- an inability to establish that the Pebble Project may be economically developed and mined or contain commercially viable deposits of ore based on a mine plan for which government authorities are prepared to grant permits;
- the volatility of gold, copper, molybdenum and silver prices and the share prices of mining companies;
- the inherent risk involved in the exploration, development and production of minerals, and the presence of unknown geological and other physical and environmental hazards at the Pebble Project;
- the potential for changes in, or the introduction of new, government regulations relating to mining, including laws and regulations relating to the protection of the environment and project legal titles;
- potential claims by third parties to titles or rights involving the Pebble Project;
- the uncertainty of the outcome of current or future litigation;
- the possible inability to insure our operations against all risks;
- the highly competitive nature of the mining business;
- our ability to obtain funding for working capital and other purposes;
- the potential equity dilution to current shareholders due to any future equity financings or from the exercise of share purchase options and warrants to purchase the Company's shares;
- that we have never paid dividends and will not do so in the foreseeable future.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements or information. Forward-looking statements or information are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements or information due to a variety of risks, uncertainties and other factors, including, without limitation, the risks and uncertainties described above. See "**Risk Factors**" on page 34.

Our forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this AIF. Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should appreciate the inherent uncertainty of, and not place undue reliance on, forward-looking information. We do not undertake to update any forward-looking information, except as, and to the extent required by, applicable securities laws.

Incorporation of Continuous Disclosure Documents by Reference

In this AIF, the "Company" or "Northern Dynasty" refers to Northern Dynasty Minerals Ltd. and all its subsidiaries and affiliated partnerships together unless the context states otherwise.

The AIF incorporates by reference a technical report prepared pursuant to National Instrument 43-101, Standards of Disclosure for Mineral Projects ("**NI 43-101**") effective date December 2017, copies of which are available on request from the offices of Northern Dynasty or by downloading from the SEDAR website under the Company's profile at www.sedar.com.

Currency and Metric Equivalents

All dollar amounts are expressed in Canadian dollars unless otherwise indicated. The Company's accounts are maintained in Canadian dollars. The daily rate of exchange on December 31, 2018, as reported by the Bank of Canada for the conversion of one Canadian dollar into one United States dollar ("U.S. dollar"), was $1.3642.

Currency and Exchange Rates

On March 26, 2020, the rate of exchange of the Canadian Dollar, based on the daily rate in Canada as published by the Bank of Canada, was US$1.00 = $1.4077. Exchange rates published by the Bank of Canada, available on its website www.bankofcanada.ca, are nominal quotations - not buying or selling rates - and intended for statistical or analytical purposes.

The following tables set out the exchange rates, based on the daily rates in Canada as published by the Bank of Canada for the conversion of Canadian Dollars into U.S. dollars.

	Year Ended December 31 (Canadian Dollars per U.S. Dollar)			
	2019	**2018**	**2017**	**2016** [1]
Rate at end of year	$1.2988	$1.3642	$1.2545	$1.3427
Average rate for year	$1.3269	$1.2957	$1.2986	$1.3248
High for year	$1.3600	$1.3642	$1.3743	$1.4589
Low for year	$1.2988	$1.2288	$1.2128	$1.2544

1. Based on the daily *noon* rate which is no longer published by the Bank of Canada.

Monthly High and Low Daily Exchange Rate (Canadian Dollar per U.S. Dollar)

Month or Period	**High**	**Low**
March 2020 (to March 26, 2020)	$1.4496	$1.3356
February 2020	$1.3429	$1.3224
January 2020	$1.3233	$1.2970
December 2019	$1.3600	$1.2988
November 2019	$1.3307	$1.3148

For ease of reference, the following factors for converting metric measurements into Imperial equivalents are as follows:

Metric Units	Multiply by	Imperial Units
hectares	2.471	= acres
metres	3.281	= feet
kilometres	0.621	= miles (5,280 feet)
grams	0.032	= ounces (troy)
tonnes	1.102	= tons (short) (2,000 pounds)
grams/tonne	0.029	= ounces (troy)/ton

Glossary

In this AIF the following terms have the meanings set forth herein:

Term	Meaning
Alkalic	Igneous rock containing a relatively high percentage of sodium and potassium feldspar; alteration can also introduce alkali minerals.
Argillic	Hydrothermal alteration of wall rock that forms clay minerals including kaolinite, smectite, illite and other species.
CuEQ	Copper Equivalent
Comminution	Reduction of solid materials from one average particle size to a smaller average particle size by crushing, grinding, cutting, vibrating, or other means.
Deportment	Assessment of how minerals contribute to grade, as each mineral is likely to behave differently to comminution, flotation or leaching.
Diorite	Grey to dark-grey igneous intrusive rock of intermediate composition, composed principally of plagioclase feldspar along with biotite, hornblende and/or pyroxene.
Element Abbreviations	Au - Gold; Ag - Silver; Al - Aluminum; Cu - Copper; Fe - Iron; Mo - Molybdenum; Na - Sodium; O - Oxygen; Pb - Lead; S - Sulphur; Zn - Zinc.
Geometallurgy	Practice of combining geology and/or geostatistics with metallurgy.
Graben	Down-dropped block of land bordered by faults.
Granodiorite	Medium- to coarse-grained acid igneous rock with quartz (>20%), plagioclase and alkali feldspar, commonly with minor hornblende and/or biotite.
Hypogene	Processes below the earth's surface which, in mineral deposits, result in precipitation of primary minerals like sulphides.
Hydrothermal mineral deposit	Any concentration of metallic minerals formed by the precipitation of solids from hot waters (hydrothermal solution). The solutions may be sourced from a magma or from deeply circulating water heated by magma.
Illite Pyrite	Alteration zone with significant amounts of illite – a clay mineral and pyrite – an iron sulphide mineral.
Intrusion (batholith, dyke, pluton)	Medium to coarse grained igneous bodies that crystallized at depth within the Earth's crust. Large intrusive bodies are called batholiths; smaller bodies are plutons and linear bodies are dykes.

Term	Meaning
Leached Cap	Rock that originally contained mineralization that was subsequently removed due to weathering processes.
Locked Cycle Test	A repetitive batch flotation test used in mineral processing laboratories while developing a metallurgical flowsheet.
Monzonite	Igneous intrusive rock with approximately equal amounts of plagioclase and alkali feldspar, and less than 5% quartz by volume.
National Instrument 43-101 ("NI 43-101")	The Canadian securities instrument which establishes disclosure standards for mineral projects held by Canadian publicly-traded resource companies.
K Silicate	Alteration zone with significant potassium (K) bearing silicate minerals.
Kriging	A method of estimation of a variable value (such as metal grade) at an unmeasured location from measured values, weighted by distance and orientation, at nearby locations.
Porphyry deposit	A type of mineral deposit genetically related to igneous intrusions in which ore minerals are widely distributed, generally of low grade but commonly of large tonnage.
Potassic	Hydrothermal alteration that results in the production of potassium-bearing minerals such as biotite, muscovite or sericite, and/or orthoclase.
Preliminary Economic Assessment	A study that includes an economic analysis of the potential viability of mineral resources but that does not meet the definition of either a "pre-feasibility study" or a "feasibility study", as such terms are defined under Canadian Institute of Mining and Metallurgy ("**CIM**") Definitions below. It is a term defined under NI 43-101.
Pyrophyllite	Aluminosilicate hydroxide mineral that forms as a result of hydrothermal alteration or low grade metamorphism.
QSP	Quartz Sericite Pyrite; an alteration zone.
Sericite	Alteration zone with significant sericite, a fine-grained version of the mica mineral muscovite.
Sodic Potassic	Alteration zone with significant sodium (Na) and potassium (K) bearing minerals
Sodic	In this report, refers to a type of hydrothermal alteration that contains sodium-bearing minerals, most commonly albite feldspar.
Subduction	Process by which one tectonic plate moves under another tectonic plate.
Supergene	Refers to processes that occur relatively near the surface of the earth which modify or destroy original (hypogene) minerals by oxidation and chemical weathering.
Superterrane	A group of physically connected and related geological terranes (group of related rock units).

Canadian Mineral Property Disclosure Standards and Resource Estimates

The discussion of mineral deposit classifications in this AIF uses the certain technical terms presented below as they are defined in accordance with the CIM Definition Standards on mineral resources and reserves (the "**CIM Definition Standards**") adopted by the Canadian Institute of Mining, Metallurgy and Petroleum (the "**CIM Council**"), as required by NI 43-101. The following definitions are reproduced from the latest version of the CIM Standards, which were adopted by the CIM Council on May 10, 2014 (the "**CIM Definitions**"). Estimated mineral resources fall into two broad categories dependent on whether the economic viability of them has been established and these are namely "resources" (potential for economic viability) and "reserves" (viable economic production is feasible). Resources are sub-divided into categories depending on the confidence level of the estimate based on level of detail of sampling and geological understanding of the deposit. The categories, from lowest confidence to highest confidence, are inferred resource, indicated resource and measured resource. The Company does not claim to have any reserves at this time. The CIM definitions are as follows:

Term	Definition
Mineral Resource	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.
Measured Mineral Resource	That part of a mineral resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A measured mineral resource has a higher level of confidence than that applying to either an Indicated mineral resource or an inferred mineral resource. It may be converted to a proven mineral reserve or to a probable mineral reserve.
Indicated Mineral Resource	That part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An indicated mineral resource has a lower level of confidence than that applying to a measured mineral resource and may only be converted to a probable mineral reserve.
Inferred Mineral Resource	That part of a mineral resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An inferred mineral resource has a lower level of confidence than that applying to an indicated mineral resource and may not be converted to a mineral reserve. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration.
Mineral Reserve	The economically mineable part of a measured and/or indicated mineral resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of modifying factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which mineral reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a mineral reserve must be demonstrated by a pre-feasibility study or feasibility study.

Term	Definition
Proven Mineral Reserve	The economically mineable part of a measured mineral resource. A proven mineral reserve implies a high degree of confidence in the modifying factors.
Probable Mineral Reserve	The economically mineable part of an indicated, and in some circumstances, a measured mineral resource. The confidence in the modifying factors applying to a probable mineral reserve is lower than that applying to a proven mineral reserve.
Modifying Factors	Considerations used to convert mineral resources to mineral reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.
Feasibility Study	A comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable modifying factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a pre-feasibility study.
Pre-feasibility Study	A comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the modifying factors and the evaluation of any other relevant factors which are sufficient for a qualified person, acting reasonably, to determine if all or part of the mineral resource may be converted to a mineral reserve at the time of reporting. A pre-feasibility study is at a lower confidence level than a feasibility study.

Cautionary Notes to United States Investors Concerning Canadian Mineral Property Disclosure Standards

As a Canadian issuer, Northern Dynasty is required to comply with reporting standards in Canada that require that we make disclosure regarding our mineral properties, including any estimates of mineral reserves and resources, in accordance with NI 43-101. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. In accordance with NI 43-101, the Company uses the terms mineral reserves and resources as they are defined in accordance with the CIM Definition Standards on mineral reserves and resources adopted by the Canadian Institute of Mining, Metallurgy and Petroleum.

The United States Securities and Exchange Commission (the " **SEC**") has adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the US Exchange Act, effective February 25, 2019 (the "**SEC Modernization Rules**"). The SEC Modernization Rules have replaced the historical property disclosure requirements for mining registrants that were included in SEC Industry Guide 7 ("**Guide 7**"), which will be rescinded.

The SEC Modernization Rules include the adoption of definitions of the following terms, which are substantially similar to the corresponding terms under the CIM Definition Standards that are presented above under "Canadian Mineral Property Disclosure Standards and Resource Estimates":

- mineral resource;
- indicated mineral resource;
- inferred mineral resource;

- mineral reserve;
- proven mineral reserve;
- probable mineral reserve;
- modifying factors;
- feasibility study; and
- preliminary feasibility study (or "**pre-feasibility study**").

As a result of the adoption of the SEC Modernization Rules, the SEC will now recognize estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources". In addition, the SEC has amended its definitions of "proven mineral reserves" and "probable mineral reserves" to be substantially similar to the corresponding CIM Definitions.

Northern Dynasty is not required to provide disclosure on our mineral properties, including the Pebble Project, under the SEC Modernization Rules as we are presently a "foreign issuer" under the US Exchange Act and entitled to file continuous disclosure reports with the SEC under the Multi-Jurisdictional Disclosure System ("**MJDS**") between Canada and the United States. Accordingly, we anticipate that we will be entitled to continue to provide disclosure on our mineral properties, including the Pebble Project, in accordance with NI 43-101 disclosure standards and CIM Definition Standards. However, if we either cease to be a "foreign issuer" or cease to be entitled to file reports under the MJDS, then we will be required to provide disclosure on our mineral properties under the SEC Modernization Rules. Accordingly, United States investors are cautioned that the disclosure that we provide on our mineral properties, including the Pebble Project, in the AIF and under our continuous disclosure obligations under the US Exchange Act may be different from the disclosure that we would otherwise be required to provide as a US domestic issuer or a non-MJDS foreign issuer under the SEC Modernization Rules.

United States investors are cautioned that while the above terms are substantially similar to CIM Definitions, there are differences in the definitions under the SEC Modernization Rules and the CIM Definition Standards. Accordingly, there is no assurance any mineral resources that we may report as "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" under NI 43-101 would be the same had we prepared the resource estimates under the standards adopted under the SEC Modernization Rules.

United States investors are also cautioned that while the SEC will now recognize "measured mineral resources", "indicated mineral resources" and "inferred mineral resources", investors should not assume that any part or all of the mineral deposits in these categories will ever be converted into a higher category of mineral resources or into mineral reserves. Mineralization described by these terms has a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. Accordingly, investors are cautioned not to assume that any "measured mineral resources", "indicated mineral resources", or "inferred mineral resources" that we report in this AIF are or will be economically or legally mineable.

Further, "inferred resources" have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, United States investors are also cautioned not to assume that all or any part of the inferred resources exist. In accordance with Canadian securities laws, estimates of "inferred mineral resources" cannot form the basis of feasibility or other economic studies, except in limited circumstances where permitted under NI 43-101.

For the above reasons, information contained in this AIF and the documents incorporated by reference herein containing descriptions of our mineral deposits may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

Item 3. Corporate Structure

Northern Dynasty is a mineral exploration company incorporated on May 11, 1983 pursuant to the Company Act of the Province of British Columbia (predecessor statute to the British Columbia Corporations Act in force since 2004), under the name "Dynasty Resources Inc." On November 30, 1983, the Company changed its name to "Northern Dynasty Explorations Ltd." and subsequently, on October 11, 1997, changed its name to Northern Dynasty Minerals Ltd. Northern Dynasty became a reporting company in the Province of British Columbia on April 10, 1984 and was listed on the Vancouver Stock Exchange (now absorbed by the TSX Venture Exchange and herein generally "**TSX-V**") from 1984-1987, listed on the Toronto Stock Exchange ("**TSX**") from 1987-1993, and delisted from trading but continued to comply with its continuous disclosure obligations from 1993 to 1994, and thereafter listed on TSX-V from 1994 to October 30, 2007 when it again began trading on the TSX. In November 2004, the common shares of Northern Dynasty were also listed on the American Stock Exchange ("**AMEX**"). AMEX was purchased by the New York Stock Exchange ("**NYSE**") and the Company now trades on the NYSE American Exchange (" **NYSE American**").

The head office of Northern Dynasty is located at 1040 West Georgia Street, 15th floor, Vancouver, British Columbia, Canada V6E 4H1, telephone (604) 684-6365, facsimile (604) 684-8092. The Company's legal registered office is in care of its Canadian attorneys, McMillan LLP, Barristers & Solicitors, at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, Canada V6E 4N7, telephone (604) 689-9111, facsimile (604) 685-7084.

The Company's Alaska mineral resource exploration business is operated through a wholly-owned Alaskan registered limited partnership, the Pebble Limited Partnership (the "**Pebble Partnership**" or "**PLP**"), in which the Company owns a 100% interest through an Alaskan general partnership, the Northern Dynasty Partnership, which is a partnership formed by two of its subsidiaries. An indirectly wholly-owned subsidiary of the Company, Pebble Mines Corp. is the general partner of the Pebble Partnership and responsible for its day-to-day operations. The business address of the Northern Dynasty Partnership is Suite 505, 3201 C Street, Anchorage, Alaska, USA, 99503.

In this AIF, a reference to the "Company" or "Northern Dynasty" includes a reference to PLP and the Company's wholly-owned subsidiaries and other consolidated interests and entities, unless the context clearly indicates otherwise. Certain terms used herein are defined in the text and others are included in the glossary of this AIF.

Item 4. General Development of the Business

Company Development

Northern Dynasty is a mineral exploration company focused on the exploration and advancement towards feasibility, permitting and ultimately development of the Pebble Project, a copper-gold-molybdenum mineral project located in southwest Alaska (the "**Pebble Project**" or the "**Project**"). The Pebble Project, comprised of mineral claims that are held by subsidiaries of the Pebble Partnership, is a 100% wholly-owned subsidiary of Northern Dynasty.

Northern Dynasty acquired a 100% interest the Pebble Project from an Alaskan subsidiary of Teck Resources Limited (" **Teck**") in a series of transactions from October 2001 through to June 2006. Teck has retained certain royalties in the Pebble Project, as described in detail below under Item 5 – *Description of Business*.

The Pebble Partnership was converted into a limited partnership in July 2007 in connection with a joint venture for the Pebble Project entered into between the Company and an affiliate of Anglo American plc ("**Anglo American**"). From July 2007 to December 2013, approximately US$573 million was provided to the Pebble Partnership by the affiliate of Anglo American, largely spent on exploration programs, resource estimates, environmental data collection and technical studies, with a significant portion spent on engineering of various possible mine development models and related infrastructure, power and transportation systems. The technical and engineering studies that were completed relating to mine-site and infrastructure development are not considered to be current or necessarily representative of management's current understanding of the most likely development scenario for the Project. Accordingly, the Company is uncertain whether it can realize significant value from this prior work. Environmental baseline studies and data, as well as geological information from exploration, remain important information available to the Company from this period in continuing its advancement of the Project. Anglo American withdrew from the Pebble Partnership effective December 10, 2013.

In December 2017, Northern Dynasty and First Quantum Minerals Ltd. (" **First Quantum**" or collectively, the "**parties**") entered into a framework agreement, which contemplated that the parties would execute an option agreement whereby First Quantum could earn a 50% interest in the Pebble Partnership. First Quantum also made a non-refundable early option payment of US$37.5 million to be applied solely for the purpose of progressing permitting of the Pebble Project. On May 25, 2018, the Company announced that the parties had been unable to reach agreement on the option and partnership transaction contemplated in the December 2017 framework agreement, and it was terminated in accordance with its terms.

Northern Dynasty holds a 100% interest in the Pebble Partnership and the Pebble Project. Northern Dynasty continues its efforts to secure a partner for the project.

To December 31, 2019, approximately $940 million (US$854 million) in expenditures have been incurred on the Pebble Project. In addition, Northern Dynasty has spent approximately $106 million in acquisition costs on the Pebble Project.

Northern Dynasty does not have any operating revenue, although currently and historically it has had non-material annual interest revenue as a consequence of investing its surplus funds.

Three Year History

The United States Environmental Protection Agency (the "**EPA**") announced the initiation of a regulatory action under the *Clean Water Act* ("**CWA**") in February 2014 to consider restriction or a prohibition on mining activities associated with the Pebble deposit. From that time until May 2017, much of the Company's efforts focused on providing information and responses to ward off this action, in particular, advancing a Multi-Dimensional Strategy to position the Pebble Project to initiate federal and state permitting under NEPA unencumbered by any extraordinary development restrictions imposed by the federal agency. This strategy included three discrete pieces of litigation against the EPA:

- challenging the EPA's statutory authority to pre-emptively impose development restrictions at the Pebble Project under Section 404(c) of the CWA prior to the Pebble Partnership submitting a proposed development plan for the project or the development of an EIS under NEPA;
- alleging that the EPA violated *Federal Advisory Committee Act* in the course of undertaking the Bristol Bay Watershed Assessment and subsequent Section 404(c) of the CWA regulatory action; and
- alleging that the EPA was unlawfully withholding relevant documentation and other information sought by the Pebble Partnership under the *Freedom of Information Act*.

Other activities by the Company during this period included maintaining an active corporate presence in Alaska to advance relationships with political and regulatory offices of government (both in Alaska and Washington, D.C.), Alaska Native partners and broader stakeholder relationships; maintaining the Pebble Project and Pebble claims in good standing; and seeking potential partner(s) to further advance the Pebble Project.

The Multi-Dimensional Strategy was successful. On May 12, 2017, Northern Dynasty announced that the Pebble Partnership and the EPA (the "parties") had reached a settlement agreement (the "**joint settlement agreement**") with respect to the parties' longstanding legal dispute over the federal agency's pre-emptive regulatory action under the CWA. Under the terms of the joint settlement agreement:

- the EPA agreed the Pebble Project can proceed into normal course permitting under the CWA and NEPA and that it cannot seek to utilize its authority under CWA 404(c) until such time as a final EIS has been completed by the US Army Corps of Engineers ("**USACE**") so long as that occurs within a period of four years following the settlement agreement, and the Pebble Partnership files permit applications within 30 months of the date of the settlement agreement. EPA further agreed to initiate a process to consider withdrawing the Proposed Determination it had issued under CWA 404(c) in July 2014. In January 2018, EPA suspended the process to withdraw the preemptive regulatory action but subsequently completed it in 2019 (see below). During this period (January -July 2019), EPA continued to support Pebble's due process rights and right to proceed with permitting as agreed to in the 2017 joint settlement agreement; and
- the Pebble Partnership agreed to terminate each of the legal actions it brought against EPA since 2014, including the action under the *Federal Advisory Committee Act*; an action challenging EPA's statutory authority under the CWA; and an action under the *Freedom of Information Act*.

A copy of the joint settlement agreement is posted under the Company's profile on SEDAR at www.sedar.com and EDGAR at www.sec.gov.

The Pebble Project has advanced significantly since the Pebble Partnership secured the legal settlement with the US EPA, enabling Pebble to enter normal course permitting under NEPA:

- on December 22, 2017, the Pebble Partnership filed its 404 wetlands permit application under the CWA with the USACE, which was "receipted" as complete by USACE on January 5, 2018;
- on February 5, 2018, USACE announced the appointment of AECOM – a leading global engineering firm – as third-party contractor for the **EIS** process;
- on March 19, 2018, USACE published guidelines and timelines for completing NEPA permitting, and the associated EIS process; and
- between April and August 2018, the Pebble Project was advanced through the Scoping Phase of the EIS process administered by the USACE. The Scoping Document was released on August 31, 2018; and
- on February 20, 2019, USACE released the Draft EIS. USACE initiated a public comment period on the Draft EIS on March 1, 2019, which closed on July 2, 2019.

The EIS process for Pebble has progressed as forecast, with USACE advancing through the scoping phase in 2018 and delivering the Draft EIS in the first quarter of 2019. The Draft EIS shows:

- the Pebble application to be complete, with no substantive data gaps;
- no new environmental issues identified; and
- no impacts identified that cannot be mitigated.

In February 2020, the USACE circulated the preliminary Final EIS to co-operating agencies for their review. The USACE has forecast completion of the Final EIS for the Pebble Project in mid-2020.

On July 30, 2019, the EPA announced that it had taken final action to withdraw a Proposed Determination initiated by the Obama Administration in 2014 under the CWA, as agreed to under the May 2017 joint settlement agreement with the Pebble Partnership that allowed the Pebble Project to proceed into normal course permitting under the CWA and NEPA. Originally initiated in July 2017, the process was suspended by former EPA Administrator Scott Pruitt in January 2018, then re-initiated in late June 2019. The Proposed Determination was withdrawn in July 2019.

Northern Dynasty has completed the following financings and/or raised funds within the past three years in order to fund its business operations:

- in June and July 2016, the Company completed a prospectus offering of 38,000,000 units and a private placement of 4,444,376 units respectively, in the capital of the Company. The units were priced at $0.45 per unit and the Company raised aggregate gross proceeds of approximately $19.1 million. Each Unit comprised of one common share and one common share purchase warrant ("**Warrant**"), each Warrant exercisable into one common share of the Company at an exercise price of $0.65 per share until June 10, 2021. The Warrants were listed and trade on the TSX under the symbol NDM.WT.B;

- in January 2017, the Company completed a bought deal offering of 20,240,000 common shares which includes the exercise in full of the Underwriter's over-allotment option, at price of US$1.85 per share for gross proceeds of approximately US$37.4 million;
- in December 2017, the Company received a non-refundable early option payment of US$37.5 million as a result of a framework agreement with First Quantum, which was terminated in May 2018;
- in December 2018, the Company completed a private placement of 10,150,322 special warrants (the " **Special Warrants**") at a price of $0.83 (US$0.62) per Special Warrant for aggregate gross proceeds of approximately $8.4 million (US$6.3 million). The Special Warrants converted into common shares on a one-for-one basis without payment of any additional consideration on February 19, 2019;
- In 2019 and January 2020, the Company completed four two-part financings.
  - in March 2019, the Company completed:
    - a bought deal offering of 17,968,750 common shares at US$0.64 per common share for gross proceeds of US$11.5 million ($15.3 million), which included the exercise of an over-allotment option of 2,343,750 common shares for additional gross proceeds of US$1.5 million. The offering was completed pursuant to an underwriting agreement, among the Company and Cantor Fitzgerald Canada Corporation, as lead underwriter and sole bookrunner, and a syndicate of underwriters including BMO Nesbitt Burns Inc., H.C. Wainwright & Co., LLC. and TD Securities Inc. (collectively, the "**Underwriters**"); and
    - a private placement of 3,769,476 common shares at $0.86 (US$0.64) per common share for gross proceeds of approximately $3.2 million (US$2.4 million).
  - in June 2019, the Company completed:
    - a bought deal offering of 12,200,000 common shares at US$0.41 per common share for gross proceeds of approximately US$5.0 million ($6.6 million). The offering was made through the Underwriters described above. The Underwriters received 244,000 non-transferable common share warrants, each warrant exercisable into one common share of the Company at an exercise price of US$0.41 per common share until June 24, 2020; and
    - a private placement of 3,660,000 common shares of the Company at US$0.41 per common share for gross proceeds of approximately US$1.5 million ($2.0 million).
  - in August 2019, the Company completed:
    - a bought deal offering of 15,333,334 common shares of the Company at the price of US$0.75 per Offered Share for aggregate gross proceeds of approximately US$11.5 million ($15.3 million); and
    - a non-brokered private placement to investors outside of the United States of 2,866,665 common shares of the Company at the Issue Price for gross proceeds to the Company of US$2.15 million ($2.8 million).
  - in December 2019 and January 2020, the Company completed:
    - an underwritten public offering of 41,975,000 common shares at a price of US$0.37 per Offered Share for gross proceeds of approximately US$15.5 million ($20.6 million, completed in December 2019); and
    - a non-brokered private placement of 11,346,783 common shares of the Company at a price of US$0.37 per Offered Share for gross proceeds of approximately US$4.2 million ($5.6 million, completed in January 2020).

The bought deal and underwritten offerings were by way of a prospectus supplement to the Company's existing Canadian base shelf prospectus and related US registration statement on Form F-10 (SEC File No. 333-229262).

Item 5. Description of Business

A. The Pebble Project

The Company's business is the exploration and advancement towards feasibility, permitting and ultimately development of the Pebble Project.

The Pebble Project Is Subject To State and Federal Laws

The Pebble Partnership and its subsidiaries are required to comply with all Alaska statutes in connection with the Pebble Project. These statutes govern titles, operations, environmental, development, operating and generally all aspects of exploration and development of a mine in Alaska.

Alaska Statute 38.05.185 among others establishes the rights to mining claims and mineral leases on lands owned by the State of Alaska and open to mineral entry. This group of statutes also covers annual labor and rental requirements, and royalties.

Operations on claims or leases on state owned land must be permitted under a plan of operations as set out in Title 11 of the Alaska Administrative Code, Chapter 86, Section 800. This regulation generally provides that the State Division of Mining can be the lead agency in coordinating the comments of all agencies, which must consent to the issuance of a plan of operations, and sets the requirements for the approval of a plan of operations.

Environmental conditions are controlled by Alaska Statute 46.08 (which prohibits release of oil and hazardous substances), Alaska Statute 46.03.060 (which sets water quality standards), and Alaska Statute 46.14 (which sets air quality standards).

Once a decision is made to enter permitting, the Pebble Project will be required to satisfy permitting requirements at three levels: federal, state and local (borough). The process takes approximately 3-4 years to complete and involves 11 regulatory agencies, 60+ categories of permits and significant ongoing opportunities for public involvement. The Alaska Department of Natural Resources Large Mine Permitting Team is responsible for coordinating permitting activities for large mine projects.

To satisfy permitting requirements under NEPA and other regulatory statutes, a project must provide a comprehensive project design and operating plan for mine-site and infrastructure facilities; documentation of development alternatives investigated; mitigation and compensation strategies, and identification of residual effects; and environmental monitoring, reclamation and closure plans. The first step is to provide the required information (including a Project Description and Environmental Baseline Document) for an EIS under NEPA, prepared by a third-party contractor under the direction of a lead federal agency. The EIS will determine whether sufficient evaluation of the project's environmental effects and development alternatives has been undertaken. It will also provide the basis for federal, state and local government agencies to make individual permitting decisions.

Under the CWA, Section 404(c), the Administrator of the EPA is given the right to disallow the specification (including the withdrawal of specification) of any defined area as a disposal site if he or she determines that the release of such material will have an unacceptable adverse effect on municipal water supplies, local wildlife, spawning and breeding areas of fisheries, shellfish beds, and/or recreational areas. Such decisions made by the Administrator require notice and opportunity for public hearings, and consultation with the Secretary of the Army. The Administrator shall set forth in writing and make public his or her findings and reasons for making any determination under this subsection.

B. Technical Summary

The following disclosure is mainly summarized from the "2018 *Technical Report on the Pebble Project, Southwest Alaska, USA* " by J. David Gaunt, P.Geo., James Lang, P.Geo., Eric Titley, P.Geo., and Ting Lu, P.Eng., and Stephen Hodgson, PEng., effective date December 22, 2017 ("**2018 Technical Report**"), and updated by Company staff. J. David Gaunt, P.Geo., James Lang, P.Geo., Eric Titley, P.Geo., Ting Lu, P.Eng., and Stephen Hodgson, PEng., are the qualified persons for the 2018 Technical Report and have reviewed and approved the content derived from that report. All qualified persons, other than Ting Lu, P.Eng., are not independent of Northern Dynasty.

Introduction

The Pebble deposit was originally discovered in 1989 and was acquired by Northern Dynasty in 2001. Since that time, Northern Dynasty and subsequently the Pebble Partnership have conducted significant mineral exploration, environmental baseline data collection, and engineering work on the Pebble Project to advance it towards development.

Since the acquisition by Northern Dynasty, work at Pebble has led to an overall expansion of the Pebble deposit, as well as the discovery of several other mineralized occurrences along an extensive northeast-trending mineralized system underlying the property. Over 1 million feet of drilling has been completed on the property, a large proportion of which has been focused on the Pebble deposit. Several estimates of the mineral resources have been made over that time; the previous estimate of the mineral resources in the Pebble deposit was in 2014.

Comprehensive deposit delineation, environmental, socioeconomic and engineering studies of the Pebble deposit began in 2004 and continued through 2013.

In February 2014, the US EPA announced a pre-emptive regulatory action under the CWA to consider restriction or a prohibition of mining activities associated with the Pebble deposit. From 2014-2017, Northern Dynasty and the Pebble Partnership focused on a Multi-Dimensional Strategy, including legal and other initiatives to ward off this action. On May 12, 2017, Northern Dynasty announced a settlement agreement with EPA, clearing the way for Pebble to apply for a CWA 404 permit with the USACE. Section 404 of the CWA governs the discharge of dredged or fill materials into waters of the US, including wetlands. The USACE issues Section 404 permits with oversight by the EPA.

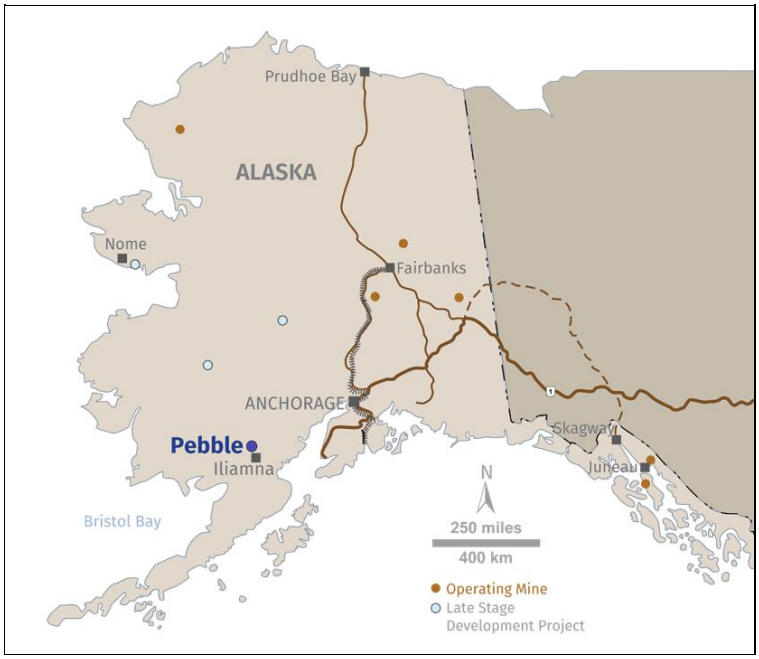
Northern Dynasty initiated a broad review of the Pebble Project that took place in 2016 and 2017 to consider, among other things, a smaller project footprint and improved environmental and safety enhancements, and has incorporated these and other improvements into a new proposed development concept for the Pebble Project. This proposal is outlined in a Project Description prepared by the Pebble Partnership and included as part of the Pebble Partnership's CWA 404 permit application filed with the USACE on December 22, 2017. On January 8, 2018, USACE accepted the permitting documentation and confirmed that an EIS level of analysis is required to comply with its NEPA review of the Pebble Project. In light of the foregoing, Northern Dynasty commissioned a technical report to update information on the mineral resources and project status. The 2018 Technical Report incorporates a summary of the Project Description submitted with the CWA 404 permit application and an analysis of the revisions to the resource estimate based on process modifications reflected in the proposed project included in the Project Description.

Northern Dynasty completed a Preliminary Assessment (now known as a *Preliminary Economic Assessment* or *PEA*) on the Pebble Project in February 2011. Since that time, as noted above, and after considering stakeholder feedback, the Pebble Partnership submitted an application for a CWA 404 permit for the Pebble Project on the basis of a substantially smaller mine facility footprint and with other material revisions. These are summarized in the 2018 Technical Report and described briefly below. As a result, the economic analysis included in the 2011 PEA is considered by Northern Dynasty to be out of date such that it can no longer be relied upon. In light of the foregoing, the Pebble Project is no longer an advanced property for the purposes of NI 43-101, as the potential economic viability of the Pebble Project is not currently supported by a preliminary economic assessment, pre-feasibility study or feasibility study. The EIS process currently underway by the USACE will consider alternative scenarios with respect to a number of aspects of the proposed project. Accordingly, the Company has not completed a current comprehensive economic analysis of the Pebble Project. As part of the EIS preparation process, USACE is undertaking a comprehensive alternatives assessment to consider a broad range of development alternatives. No preferred alternative was identified in the Draft EIS released by USACE on February 20, 2019, which allows USACE to incorporate public input on various alternatives presented in the Draft EIS during the public review process. The USACE has forecast completion of the Final EIS as well as the Record of Decision for the Pebble Project in mid-2020. Northern Dynasty, through Pebble Partnership, also continues to advance engineering studies. Northern Dynasty cautions that the current Project Description may not be the ultimate development plan for the project and that a final project design has not been selected.

Property Description and Location

The Pebble Project is located in southwest Alaska, approximately 200 miles southwest of Anchorage, 17 miles northwest of the village of Iliamna, 160 miles northeast of Bristol Bay, and approximately 60 miles west of Cook Inlet.

Figure 1 Property Location – Pebble Project



Source: 2018 Technical Report

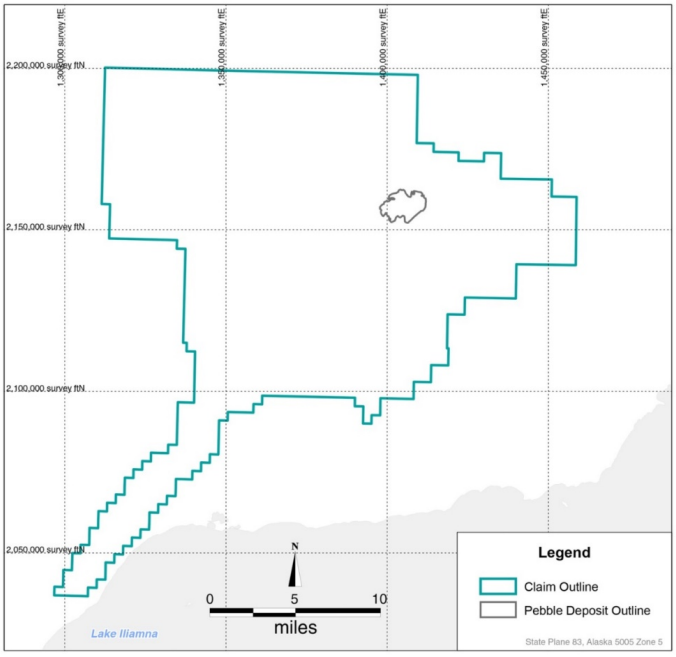
Northern Dynasty holds, indirectly through wholly-owned subsidiaries of the wholly-owned Pebble Partnership, Pebble East Claims Corporation and Pebble West Claims Corporation, a 100% interest in a contiguous block of 2,402 mineral claims covering approximately 417 square miles (which includes the Pebble Deposit) (Figure 2).

State mineral claims in Alaska are kept in good standing by performing annual assessment work or in lieu of assessment work by paying $100 per year per 40 acre (0.06 square mile) mineral claim, and by paying annual escalating state rentals. All of the assessment work payment obligations come due annually on or before September 1. Credit for excess work can be banked for a maximum of four years, and can be applied as necessary to continue to hold the claims in good standing. The Project claims have a variable amount of work credit available that can be applied in this way[1]. State rentals for 2020 are approximately US$1,375,910 and are payable no later than 90 days after the assessment work is due (approximately December 1).

[1] Annual assessment work obligations for the claims that are part of the current property of US$667,700 are due in 2020.

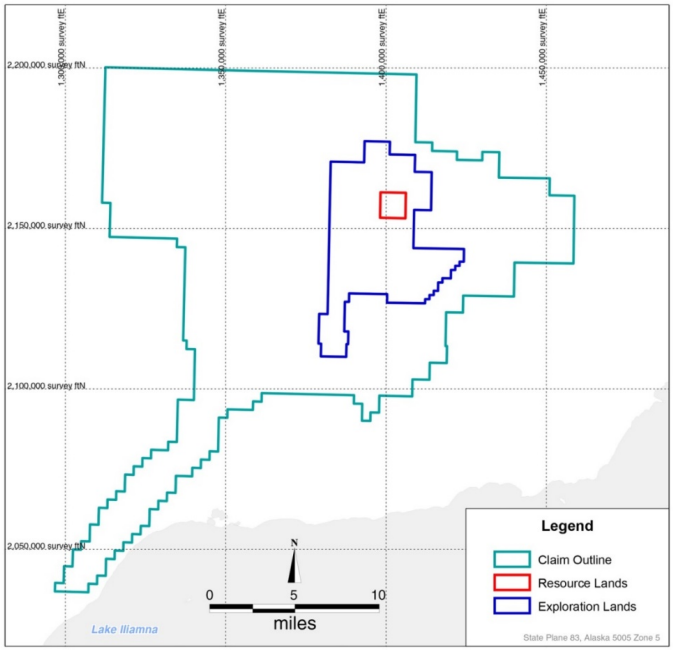
The Pebble Partnership currently does not own surface rights associated with the mineral claims that comprise the Pebble property. All lands are held by the State of Alaska, and surface rights may be acquired from the state government once areas required for mine development have been determined and permits awarded. Permits necessary for exploration drilling and other field programs associated with pre-development assessment of the Pebble Project are applied for each year. Environmental liabilities associated with the Pebble Project include removal of structures, closing monitoring wells, and removal of piezometers. The State of Alaska holds a $2 million bond associated with removal and reclamation of these liabilities.

Figure 2 Mineral Claims – Pebble Project



Source: 2018 Technical Report

Northern Dynasty acquired the Pebble property by way of a two-part (Resource Lands and Exploration Lands) purchase option from an Alaskan subsidiary of Teck Cominco Limited (now Teck), which still retains a 4% pre-payback advance net profits royalty interest (after debt service) and 5% after-payback net profits royalty interest in any mine production from the Exploration Lands portion of the Pebble property, as shown on the figure below.



Source: 2018 Technical Report

Accessibility, climate, local resources, infrastructure and physiography

Current access to the Pebble property is by helicopter from Iliamna. There is a modern airfield at Iliamna, with two paved 4,920 ft airstrips, that services the communities of Iliamna and Newhalen. The runways are suitable for DC-6 and Hercules cargo aircraft and commercial jet aircraft.

There are paved roads that connect the villages of Iliamna and Newhalen to the airport and to each other, and a partly paved, partly gravel road that extends to a proposed Newhalen River crossing near Nondalton. The property is currently not connected to any of these local communities by road; a road is planned as part of the project design.

There is no access road connecting the communities nearest to the Pebble Project with the coast on Cook Inlet. From the coast, at Williamsport on Iniskin Bay, there is an 18.6-mile state-maintained road that terminates at the east end of Iliamna Lake, where watercraft and transport barges may be used to access Iliamna. The route from Williamsport, over land to Pile Bay on Iliamna Lake, is currently used to transport bulk fuel, equipment and supplies to communities around the lake during the summer months. Also during summer, supplies are barged up the Kvichak River, approximately 43.4 miles southwest of Iliamna, from Kvichak Bay on the North Pacific Ocean.

A small run-of-river hydroelectric installation on the nearby Tazimina River provides power for the three communities (Iliamna, Newhalen, Nondalton) in the summer months. Supplemental power generation using diesel generators is required during winter months.

Iliamna and surrounding communities have a combined population of just over 400 people. As such, there is limited local commercial infrastructure except that which services seasonal sports fishing and hunting.

The property is situated at approximately 1,000 ft above mean sea level in an area described as subarctic tundra. It is characterized by gently rolling hills and an absence of permafrost. The climate is sufficiently moderate to allow a well-planned mineral exploration program to be conducted year-round at Pebble.

Geological Setting and Mineralization

Pebble is a porphyry-style copper-gold-molybdenum-silver deposit that comprises two adjacent, contiguous, coeval hydrothermal centers called the Pebble East and Pebble West zones. Mineralization in the Pebble West zone extends from surface to depths of at least 3,000 ft whereas higher grade mineralization in the Pebble East zone extends to a depth of at least 5,810 ft but is concealed beneath an east-thickening wedge of unmineralized rock types. An important exploration target is represented by high-grade, but as yet undelineated, mineralization on the far eastern side of the deposit which was offset between 1,970 and 2,950 ft by normal faults into the northeast-trending East Graben.

The Pebble deposit formed about 90 million years ago in response to intrusion of granodiorite magmas generated by subduction of the Pacific Plate beneath the Wrangellia Superterrane. The Pebble deposit is hosted by these granodiorite intrusions and by the sedimentary and volcanic rocks of Jurassic to Cretaceous age, granodiorite and diorite sills and alkalic monzonite intrusions and associated breccias which host them.

Mineralization at Pebble is predominantly hypogene, although the Pebble West zone contains a thin zone of variably developed leached cap and underlying supergene mineralization. Disseminated and vein-hosted copper-gold-molybdenum-silver mineralization, dominated by chalcopyrite and locally accompanied by bornite, is associated with early potassic alteration in the shallow part of the Pebble East zone and with early sodic-potassic alteration in the Pebble West zone and deeper parts of the Pebble East zone. High-grade copper-gold mineralization is associated with younger pyrophyllite- and sericite-bearing subtypes of advanced argillic alteration in the Pebble East zone. The deposit is surrounded by weakly mineralized quartz-sericite-pyrite alteration; in the upper center of the deposit quartz-illite-pyrite alteration is an illite-altered relict of a mostly eroded quartz-sericite-pyrite cap to the deposit.

Exploration

Historical

Cominco Alaska, a division of Cominco Ltd. (now Teck), began reconnaissance exploration in the Pebble region in the mid-1980s and in 1984 discovered the Sharp Mountain gold prospect near the southern margin of the current property. Gold was discovered in quartz veins of probable Tertiary age near the peak of Sharp Mountain. Grab samples of veins in talus ranged from 0.045 oz/ton Au to 9.32 oz/ton Au and 3.0 oz/ton Ag. In 1987, examination and sampling of several prominent limonitic and hematitic alteration zones yielded anomalous gold concentrations from the Sill prospect and the Pebble discovery outcrop.

Geophysical surveys were conducted on the property between 1988 and 1997. An induced polarization (“IP”) survey in 1989 at Pebble displayed response characteristics of a large porphyry-copper system. The surveys were dipole-dipole IP surveys, which defined a chargeability anomaly about 31.1 square miles in extent within Cretaceous age rocks that surround the eastern to southern margins of the Kaskanak batholith. All known zones of mineralization of Cretaceous age on the Pebble property occur within the broad IP anomaly.

In 1991, baseline environmental and engineering studies were initiated and weather stations were established. A preliminary evaluation was undertaken by Teck in 1991, and updated in 1992. Historical estimates of the mineral resources for the Pebble deposit were completed by Teck, most recently in 2000.

Northern Dynasty and Pebble Partnership

Between 2001 and 2006, the entire Pebble property was mapped for rock type, structure and alteration at a scale of 1:10,000, providing an important geological framework for interpretation of other exploration data. A geological map of the Pebble deposit was also constructed but, due to a paucity of outcrop, was based solely on drill hole information. The content and interpretation of district and deposit scale geological maps have not changed materially from those presented in 2009 and 2010.

A number of geophysical surveys, including IP, magnetic and other survey types were completed by Northern Dynasty and the Pebble Partnership between 2001 and 2010 to test the Pebble deposit and other occurrences on the Pebble property. Between 2001 and 2003, Northern Dynasty collected 1,026 soil samples, outlining high-contrast, coincident anomalies in gold, copper, molybdenum and other metals in an area that measures at least 5.6 miles north-south by up to 2.5 miles east-west, with strong but smaller anomalies in several outlying zones. All soil geochemical anomalies lie within the 31.1 square mile IP chargeability anomaly. Limited surficial geochemical surveys were completed in 2010 and 2011.

Drilling

Extensive drilling totalling 1,048,509.8 ft has been completed in 1,389 holes on the Pebble Project. These drill programs took place during 21 of the 31 years from 1988 to 2019. Teck completed several drilling programs between 1988 and 1997.

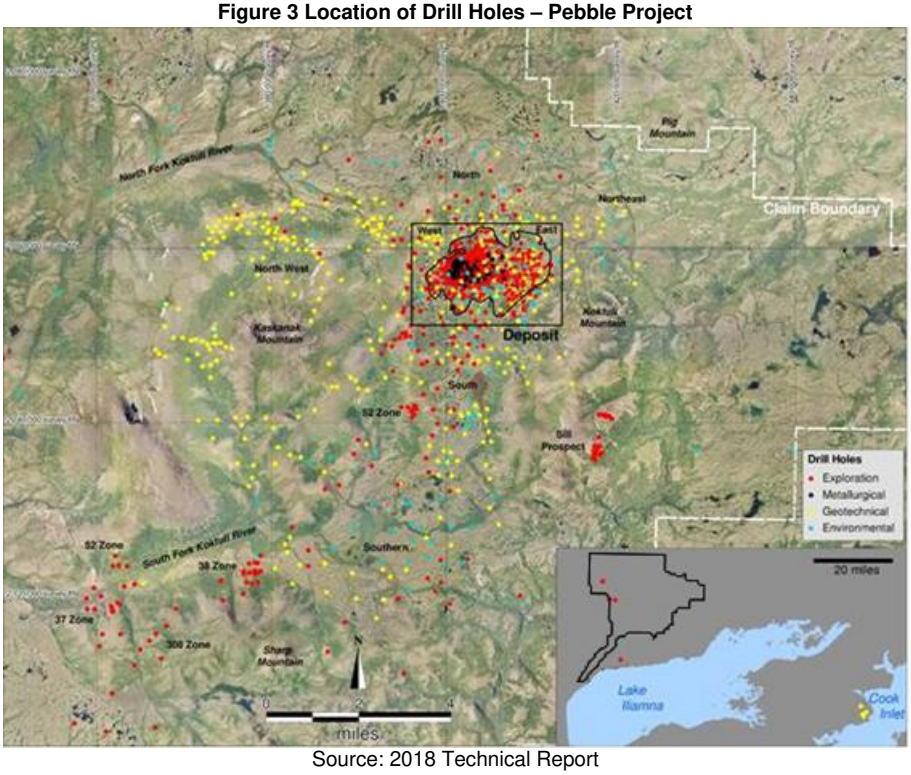
Northern Dynasty with its partners completed drilling for exploration, deposit delineation, engineering and environmental purposes between 2002 and 2019. Highlights from exploration and deposit delineation drilling include:

- prior to 2001, Teck completed a total of 164 drill holes, 39 of which were completed in the Sill Zone and 125 of which were collared within or near the Pebble deposit;
- in 2002, drill testing of IP chargeability and multi-element geochemical anomalies outside of the Pebble deposit but within the larger and broader IP chargeability anomaly discovered the 38 Zone porphyry copper-gold-molybdenum deposit, the 52 Zone porphyry copper occurrence, the 37 Zone gold-copper skarn deposit, the 25 Zone gold deposit, and several small occurrences in which gold values exceeded 3.0 g/t;
- in 2003, drilling took place within and adjacent to the Pebble West zone and outside the Pebble deposit to test for extensions and new mineralization at four other zones, including the 38 Zone porphyry copper-gold-molybdenum deposit and the 37 Zone gold-copper skarn deposit;
- in 2004, 147 exploration holes were drilled in the Pebble deposit resulting in the identification of the Pebble East zone and discovery of the 308 Zone porphyry copper-gold-molybdenum deposit;
- in 2005 and 2006, drilling at Pebble East confirms its large size and higher grades of copper, gold and molybdenum;
- in 2007, 34 holes extend Pebble East to the northeast, northwest, south and southeast;
- in 2008, 31 delineation and infill holes were drilled at Pebble East. Full Metal Minerals (USA) Inc. (“ **FMMUSA**”) drilled seven exploration holes on land that is now controlled by the Pebble Partnership;
- in 2009 and 2010, delineation holes were drilled at the margins of Pebble West and exploration holes were drilled elsewhere on the property;
- in 2011 and 2012, holes drilled in the Pebble West zone indicate potential for resource expansion laterally and to depth, and exploration targets were tested on the Kaskanak claims to the northwest and south of Pebble, and on the KAS claims further south;
- in 2013 and 2018, geotechnical holes were drilled to test tailings and water storage facilities in areas remote from the Pebble deposit; and
- in 2019, a series of percussion holes were drilled adjacent to the Pebble deposit to enable hydrological testing.

No drilling took place in 2014, 2015, 2016 or 2017.

The spatial distribution and type of holes drilled at Pebble are illustrated below.

Figure 3 Location of Drill Holes – Pebble Project



Source: 2018 Technical Report

Most of the footage on the Pebble Project was drilled using diamond core drills; the Pebble resource estimate was calculated exclusively from these holes. Many of the cored holes were advanced through overburden using a tricone bit with no core recovery. These overburden lengths are included in the core drilling total.

Since early 2004, all Pebble drill core has been geotechnically logged. Nearly 70,000 measurements were made for a variety of geotechnical parameters on 736,000 ft of core drilling. Recovery is generally very good and averages 98.6% overall; two-thirds of all measured intervals have 100% core recovery. Additionally, all Pebble drill core from the 2002 through 2018 drill programs was photographed in a digital format.

All drill hole collars have been surveyed using a differential global positioning system. A digital terrain model for the site was generated by photogrammetric methods in 2004. All post-Teck drill holes have been surveyed downhole, typically using a downhole survey (single shot magnetic gravimetric) tool. A total of 1,029 holes were drilled vertically (-90°) and 190 were inclined from -42° to -85° at various azimuths.

A summary of drilling by various categories (operator, type, year and area) to the end of the 2019 program are compiled in the table below. As shown in Figure 3 and Table 1 (East, West, Main), a large proportion of the drilling has been directed toward the Pebble deposit.

Table 1 Summary of Drill Holes – Pebble Project

	No. of Holes	Feet	Metres
By Operator			
Teck [1]	164	75,741.0	23,086
Northern Dynasty	578	495,069.5	150,897
Pebble Partnership [2]	640	472,249.3	143,942
FMMUSA	7	5,450.0	1,661
Total	1,389	1,048,509.8	319,586
By Type			
Core [1,5]	1,160	1,027,671.9	313,234
Percussion [6]	229	20,838.0	6,351
Total	1,389	1,048,509.8	319,586
By Year			
1988 [1]	26	7,601.5	2,317
1989 [1]	27	7,422.0	2,262
1990	25	10,021.0	3,054
1991	48	28,129.0	8,574
1992	14	6,609.0	2,014
1993	4	1,263.0	385
1997	20	14,695.5	4,479
2002	68	37,236.8	11,350
2003	67	71,226.6	21,710
2004	267	165,567.7	50,465
2005	114	81,978.5	24,987
2006 [3]	48	72,826.9	22,198
2007 [4]	92	167,666.9	51,105
2008 [5]	241	184,726.4	56,305
2009	33	34,947.5	10,652
2010	66	57,582.0	17,551
2011	85	50,767.7	15,474
2012	81	35,760.2	10,900
2013	29	6,190.0	1,887
2018	28	4,374.2	1,333
2019	6	1,917.4	584
Total	1,389	1,048,509.8	319,586

	No. of Holes	Feet	Metres
By Area			
East	149	450,047.3	137,174
West	447	349,128.7	106,414
Main [7]	83	9,629.8	2,935
NW	215	49,951.1	15,225
North	84	30,927.0	9,427
NE	15	1,495.0	456
South	117	48,387.8	14,749
25 Zone	8	4,047.0	1,234
37 Zone	7	4,252.0	1,296
38 Zone	20	14,221.5	4,335
52 Zone	5	2,534.0	772
308 Zone	1	879.0	268
Eastern	5	621.5	189
Southern	147	64,374.4	19,621
SW	39	6,658.8	2,030
Sill	39	10,445.5	3,184
Cook Inlet	8	909.5	277
Total	1,389	1,048,509.8	319,586

Notes to table:
1. Includes holes drilled on the Sill prospect.
2. Holes started by Northern Dynasty and finished by the Pebble Partnership are included as the Pebble Partnership.
3. Drill holes counted in the year in which they were completed.
4. Wedged holes are counted as a single hole including full length of all wedges drilled.
5. Includes FMMUSA drill holes; data acquired in 2010.
6. Percussion holes were drilled for engineering and environmental purposes. Shallow (<15 ft) auger holes not included.
7. Comprises holes drilled entirely in Tertiary cover rocks within the Pebble West and Pebble East areas.
Some numbers may not sum exactly due to rounding.

Sampling, Analysis and Security of Samples

The Pebble deposit has been explored by extensive core drilling, with 80,859 samples having been taken from drill core for assay analysis. Nearly all potentially mineralized Cretaceous core drilled and recovered has been sampled by halving in 10 ft lengths. Similarly, all core recovered from the Late Cretaceous to Early Tertiary cover sequence has also been sampled, typically on 20 ft sample lengths, with some shorter sample intervals in areas of geologic interest. Unconsolidated overburden material, where it exists, is generally not recovered by core drilling and therefore not usually sampled.

Rock chips from the 223 rotary percussion holes were generally not sampled for assay analysis, as the holes were drilled for monitoring wells and environmental purposes. Only 35 samples were taken from the drill chips of 26 rotary percussion holes outside the Pebble deposit area, which were drilled for condemnation purposes.

Analytical work in 2002 and from 2004 to 2018 was completed by ALS Minerals Laboratories of North Vancouver, an ISO/IEC 17025:2005 certified laboratory. Analytical work for the 2003 drilling program was completed by SGS Canada Inc. of Toronto, ON, an ISO 9002 registered, ISO 17025 accredited laboratory.

Northern Dynasty maintained an effective Quality Control/Quality Assurance ("**QA/QC**") program consistent with industry best practices, which was continued from 2007 to 2018 under the Pebble Partnership. This program is in addition to the QA/QC procedures used internally by the analytical laboratories. The QA/QC program has also been subject to independent review by Analytical Laboratory Consultants Ltd. and Nicholson Analytical Consulting through 2012. The analytical consultants provide ongoing monitoring, including facility inspection and timely reporting of the performance of standards, blanks and duplicates in the sampling and analytical program. The results of this program indicate that analytical results are of a high quality, suitable for use in detailed modelling and resource evaluation studies. The QA/QC sample types used in the program are described in the table below.

Table 2 Summary of Quality Control/Quality Assurance Sampling – Pebble Project

QC Code	Sample Type	Description	% of Total
MS	Regular Mainstream	Regular samples submitted for preparation and analysis at the primary laboratory.	89%
ST	Standard (Certified Reference Material)	Mineralized material in pulverized form with a known concentration and distribution of element(s) of interest. Randomly inserted using pre-numbered sample tags.	4.5% or 9 in 200
DP	Duplicate or Replicate	An additional split taken from the remaining pulp reject, coarse reject, ¼ core or ½ core remainder. Random selection using pre-numbered sample tags.	4.5% or 9 in 200
SD	Standard Duplicate	Standard reference sample submitted with duplicates and replicates to the check laboratory.	<1%
BL	Blank	Sample containing negligible or background amounts of elements of interest, to test for contamination.	2% 1 in 50

Pebble core was boxed at the rig and transported daily by helicopter to a secure logging facility in Iliamna. Half cores remaining after sampling were replaced in the original core boxes and stored at Iliamna, AK in a secure compound. Crushed reject samples from the 2006 through 2018 analytical programs are stored in locked containers at Delta Junction, AK. Drill core assay pulps from the 1989 through 2018 programs are stored at a secure warehouse in Langley, BC.

Mineral Resources

The current estimate of the mineral resources in the Pebble deposit is based on approximately 59,000 assays obtained from 699 drill holes completed to the end of 2013. The resource tabulated below was estimated using ordinary kriging by David Gaunt, P.Geo., a qualified person who is not independent of Northern Dynasty. The effective date of the estimate is December 22, 2017.

The tabulation is based on copper equivalency that incorporates the contribution of copper, gold and molybdenum. Although the estimate includes silver, it was not used as part of the copper equivalency (CuEQ) calculation in order to facilitate comparison with previous estimates, which did not consider the silver content or its potential economic contribution.

Cautionary Note to Investors Concerning Estimates of Measured, Indicated and Inferred Resources

This section uses the terms "measured resources", "indicated resources" and "inferred resources". United States investors are cautioned that while these terms are "substantially similar" to CIM Definitions, there are differences in the definitions under the SEC Modernization Rules and the CIM Definition Standards. Accordingly, there is no assurance any mineral resources that we may report as measured mineral resources, indicated mineral resources and inferred mineral resources under NI 43-101 would be the same had we prepared the resource estimates under the standards adopted under the SEC Modernization Rules. **Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into reserves.** In addition, "inferred resources" have a great amount of uncertainty as to their existence, and economic and legal feasibility. It cannot be assumed that all or any part of an inferred resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred resources may not form the basis of feasibility or pre-feasibility studies, or economic studies except for a Preliminary Economic Assessment as defined under NI 43-101. **Investors are cautioned not to assume that all or any part of an inferred resource exists, or is economically or legally mineable**.

Table 3 Mineral Resources – Pebble Deposit
Measured, Indicated and Inferred Categories

Threshold CuEq %	CuEq%	Tonnes	Cu (%)	Au (g/t)	Mo (ppm)	Ag (g/t)
Measured						
0.3	**0.65**	**527,000,000**	**0.33**	**0.35**	**178**	**1.7**
0.4	0.66	508,000,000	0.34	0.36	180	1.7
0.6	0.77	279,000,000	0.40	0.42	203	1.8
1.0	1.16	28,000,000	0.62	0.62	302	2.3
Indicated						
0.3	**0.77**	**5,929,000,000**	**0.41**	**0.34**	**246**	**1.7**
0.4	0.82	5,185,000,000	0.45	0.35	261	1.8
0.6	0.99	3,455,000,000	0.55	0.41	299	2.0
1.0	1.29	1,412,000,000	0.77	0.51	343	2.4
Measured and Indicated						
0.3	**0.76**	**6,456,000,000**	**0.40**	**0.34**	**240**	**1.7**
0.4	0.81	5,693,000,000	0.44	0.35	253	1.8
0.6	0.97	3,734,000,000	0.54	0.41	291	2.0
1.0	1.29	1,440,000,000	0.76	0.51	342	2.4
Inferred						
0.3	**0.55**	**4,454,000,000**	**0.25**	**0.25**	**226**	**1.2**
0.4	0.68	2,646,000,000	0.33	0.30	269	1.4
0.6	0.89	1,314,000,000	0.48	0.37	292	1.8
1.0	1.20	361,000,000	0.68	0.45	377	2.3

The tabulated mineral resources are subject to the notes below:

These resource estimates have been prepared in accordance with NI 43-101 and the CIM Definition Standards. Inferred resources have a great amount of uncertainty as to their existence and whether they can be mined legally or economically. It cannot be assumed that all or any part of the Inferred resources will ever be upgraded to a higher category.

Copper equivalent calculations use metal prices of US$1.85/lb for copper, US$902/oz for gold and US$12.50/lb for molybdenum, and recoveries of 85% for copper 69.6% for gold, and 77.8% for molybdenum in the Pebble West zone and 89.3% for copper, 76.8% for gold, and 83.7% for molybdenum in the Pebble East zone.

A 0.30% CuEQ cut-off is considered to be comparable to that used for porphyry deposit open pit mining operations in the Americas.

The resource estimate is constrained by a conceptual pit that was developed using a Lerchs-Grossman algorithm and is based on the parameters set out below:

Parameter		Units	Cost ($)	Value
Metal Price	Gold	$/oz	-	1,540.00
	Copper	$/lb	-	3.63
	Molybdenum	$/lb	-	12.36
	Silver	$/oz	-	20.00
Metal Recovery	Copper	%	-	91
	Gold	%	-	61
	Molybdenum	%	-	81
	Silver	%	-	67
Operating Cost	Mining (mineralized material or waste)	$/ton mined	1.01	-
	Added haul lift from depth	$/ton/bench	0.03	-
	Process			
	-Process cost adjusted by total crushing energy	$/ton milled	4.40	-
	-Transportation	$/ton milled	0.46	-
	-Environmental	$/ton milled	0.70	-
	-G&A	$/ton milled	1.18	-
Block Model	Current block model	ft	-	75 x 75 x 50
Density	Mineralized material and waste rock	-	-	Block model
Pit Slope Angles	-	degrees	-	42

These mineral resource estimates may ultimately be affected by a broad range of economic/financial, environmental, permitting, legal, title, socio-economic, marketing and political factors commensurate with the specific characteristics of the Pebble deposit (including its scale, location, orientation and poly-metallic nature) as well as its setting (from a natural, social, jurisdictional and political perspective).

Mineral Processing and Metallurgical Testing

Metallurgical testwork for the Pebble Project was initiated by Northern Dynasty in 2003, and continued under the direction of Northern Dynasty until 2008. From 2008 to 2013, metallurgical testwork progressed under the direction of the Pebble Partnership.

Geometallurgical studies were initiated by the Pebble Partnership in 2008, and continued through 2012. The principal objective of this work was to quantify significant differences in metal deportment that may result in variations in metal recoveries during mineral processing. The results of the geometallurgical studies indicate that the deposit comprises several geometallurgical (or material type) domains. These domains are defined by distinct, internally consistent copper and gold deportment characteristics that correspond spatially with changes in silicate alteration mineralogy.

Metallurgical testwork and associated analytical procedures were performed by recognized testing facilities with extensive experience with these analyses, with this type of deposit, and with the Pebble Project. The samples selected for the comminution, copper/gold/molybdenum bulk flotation, and copper molybdenum separation testing were representative of the various types and styles of mineralization present at the Pebble deposit.

Test results on variability samples derived from the 103 lock cycle flotation tests indicate that marketable copper and molybdenum concentrates can be produced with gold and silver contents that meet or exceed payable levels in representative smelter contracts.

Metal recoveries[2] projected in the 2014 technical report are based on the locked-cycle test results of the variability samples, and associated gold leach testwork. This has been updated since the 2017 decision by the Pebble Partnership not to apply a cyanide leaching and SART process for metal recovery. The flotation tests on composite samples indicate a general increase of metal recoveries when the primary grind size is reduced. Thus, a finer primary grind size P_{80} of 125µm was incorporated into the metal recovery projection model. Table 5 provides projected metals recoveries via flotation concentration only.

Table 5 Projected Metallurgical Recoveries

Domain	Flotation Recovery %			
	Cu Con, 26% Cu			Mo Con
	Cu	Au	Ag	Mo
Supergene:				
Sodic Potassic	78.7	63.6	67.5	53.9
Illite Pyrite	72.1	46.5	67.8	66.3
Hypogene:				
Illite Pyrite	89.8	45.6	66.6	76.1
Sodic Potassic	90.1	63.2	67.0	80.1
K Silicate	93.7	63.6	66.5	85.4
QP	94.7	65.2	64.4	80.4
Sericite	89.6	40.6	66.5	75.9
QSP	89.8	32.9	66.9	86.1

Environmental and Socioeconomic

The Pebble deposit is located on state land specifically designated for mineral exploration and development. The project area has been the subject of two comprehensive land-use planning exercises conducted by the Alaska Department of Natural Resources (the "**ADNR**"), the first in the 1980s and the second completed in 2005. The ADNR identified five land parcels (including Pebble) within the Bristol Bay planning area as having "significant mineral potential," and where the planning intent is to accommodate mineral exploration and development. These parcels total 2.7% of the total planning area (ADNR, 2005).

Environmental standards and permitting requirements in Alaska are stable, objective, rigorous and science-driven. These features are an asset to projects like Pebble that are being designed to meet U.S. and international best practice standards of design and performance.

[2] Silver recovery projection based on a dataset of 10 LCT samples

Environmental Baseline Studies

Northern Dynasty and its partners carried out extensive field study programs from 2004 onward to characterize the existing physical, chemical, biological, and social environments in the Bristol Bay and Cook Inlet areas where the Pebble Project might occur. The Pebble Partnership compiled the data for the 2004-2008 study period into a multi-volume Environmental Baseline Document ("**EBD**"). These studies have been designed to:

- fully characterize the existing biophysical and socioeconomic environment;
- support environmental analyses required for effective input into Project design;
- provide a strong foundation for internal environmental and social impact assessment to support corporate decision-making;
- provide the information required for stakeholder consultation and mine permitting in Alaska; and,
- provide a baseline for long-term monitoring of potential changes associated with mine development.

The baseline study program includes:

- surface water
- groundwater
- surface and groundwater quality
- geochemistry
- snow surveys
- fish and aquatic resources
- noise
- wetlands
- trace elements
- fish habitat – stream flow modeling
- Cook Inlet marine studies
- wildlife
- air quality
- cultural resources
- subsistence
- land use
- recreation
- socioeconomics
- visual aesthetics
- climate and meteorology
- Iliamna Lake

Additional environmental baseline studies were undertaken between 2009 and 2012. The results of these studies were compiled into a supplemental EBD in 2017 and all chapters were transmitted to USACE in 2018. In 2017, select environmental baseline studies were re-initiated and expanded, and continued in 2018 and 2019. Environmental baseline data collected during the 2018 field program included meteorology, wetlands, aquatic resources, marine studies, wildlife and stream flow monitoring. Environmental site work for 2019 included ongoing environmental monitoring and collection of additional data to support the EIS process. The additional data collected from these programs has been provided to USACE.

Potential Environmental Effects and Proposed Mitigation Measures

The application of sound engineering, environmental planning and best management practices, including compliance with existing US federal and state environmental laws, regulations and guidelines, will ensure that environmental issues associated with the development and operation of the Pebble Project can be effectively addressed and managed.

The major environmental components include air, water and terrestrial resources. During the preliminary stages of the Pebble Project, Northern Dynasty identified key environmental issues and design drivers that have formed the basis of baseline data collection, environmental and social analysis and continuing stakeholder consultations influencing the Pebble Project design. The scoping-level assessment has confirmed these as important issues and design drivers, and has identified mitigation measures for each. The key mitigation strategies for these drivers include:

- Water: development of a water management plan that maximizes the collection and diversion of groundwater, snowmelt and direct precipitation away from the mine site;
- Wetlands: avoidance and minimization of project effects on wetlands and implementation of a water management plan (in accordance with USACE guidelines and regulations) to protect wetlands;
- Aquatic habitats: development of a water management plan and habitat mitigation measures that include strategies to effectively manage the release of treated water in compliance with anticipated regulatory requirements to sustain necessary downstream flows and to protect downstream fish habitat and aquatic environments;
- Air quality: implementation of air emissions and dust suppression strategies;

- Marine environment: minimize the port facility's footprint in the intertidal zone, particularly in soft sediment intertidal areas; and
- Compensatory mitigation measures to ensure compliance with the CWA.

Direct integration of these and other appropriate measures into the Pebble Project design and operational strategies are expected to effectively mitigate possible environmental effects and minimize residual environmental effects associated with the construction, operation and eventual closure of any proposed mine at the Pebble Project.

During 2019, the Pebble Partnership evaluated a number of Compensatory Mitigation alternatives that could be applied to the Pebble Project; however, very few 'like for like' wetlands habitat alternatives were found to exist in the region around Pebble. This challenge is common in Alaska. as there are very few 'like for like' opportunities for wetlands mitigation available other than purchasing land for permanent set-aside protection. Recognizing this issue, USACE and EPA developed a Memorandum of Understanding ("**MOU**"), which enables proponents to propose 'out of kind' mitigation projects.

Based on this MOU, Pebble Partnership identified three Compensatory Mitigation projects for which evaluation began in 2019, with a final proposal submitted during Q1 2020. These projects are:

- repairs and upgrades to the sewage handling and treatment facilities in Kokhanok, Newhalen, and Nondalton, three of the four closest communities to the Pebble Project;
- fish passage restoration by replacing inadequate culverts in the Bristol Bay region; and
- clean up of 7.4 miles of beach at the proposed port site at Amakdedori.

Community Consultation and Stakeholder Relations

Since 2004, the Pebble Partnership and its predecessor Northern Dynasty have undertaken a comprehensive stakeholder relations and community outreach program. In addition to ensuring that relevant stakeholder groups and individuals receive early notification of all work programs, the objectives of the Pebble Partnership's stakeholder and community relations program are:

- to provide regular progress updates on project-related activities, opportunities and planning;
- to seek input on stakeholder priorities, issues and concerns, and provide feedback on how they are being addressed;
- to educate stakeholders on responsible resource development and modern mining principles and practices;
- to maximize economic and community benefits associated with the Pebble Project, both in the exploration and development phase and during mine operations; and,
- to provide opportunities for two-way dialogue and the development of long-term, respectful and mutually beneficial relationships.

The Pebble Partnership has developed a dedicated and knowledgeable stakeholder relations team to implement this program.

Mine Planning and Project Description 2017 – 2019

The Pebble Partnership filed a CWA 404 permit application with USACE in December 2017. In January 2018, USACE confirmed that Pebble's permit application was complete and an EIS would be required to comply with its NEPA review of the Pebble Project. The Project Description submitted as part of the CWA 404 permitting application envisages the project developed as an open pit mine and processing facility with supporting infrastructure. The development plan has a significantly smaller development footprint than previous studies, as well as incorporating other additional environmental safeguards.

The EIS process currently underway as by the USACE will consider alternative scenarios with respect to a number of aspects of the proposed project. Over the course of 2018, USACE advanced the EIS process through the scoping phase and the Pebble Partnership continued with engineering studies. As a result, there have been some adjustments to the development plan.

	Project Description (Dec 2017)	**Current Project Description**
Processing rate	160,000 tons per day	180,000 tons per day
Mining rate	90 million tons per year	70 million tons per year
Strip ratio	0.1:1	0.12:1
Mine Life	20 years, including 14 years of mining using conventional drill-blast-shovel operations, and 6 years of milling material from a low-grade stockpile.	20 years, as a conventional drill-blast-shovel operation.
Infrastructure	• a 230-megawatt power plant located at the mine site; • an 83-mile transportation corridor from the mine site to a port site on the west side of Cook Inlet; • a permanent, year-round port facility near the mouth of Amakdedori Creek on Cook Inlet; and, • a 188-mile natural gas pipeline from the Kenai Peninsula to the Pebble Project site.	• a 270-megawatt power plant located at the mine site; • a 94-mile transportation corridor from the mine site to a port site on the west side of Cook Inlet[3]; • a permanent, year-round port facility near the mouth of Amakdedori Creek on Cook Inlet; and, • a 192-mile natural gas pipeline from the Kenai Peninsula to the Pebble Project site.
Additional Environmental Safeguards	• a development footprint less than half the size envisaged prior to 2014, with consolidation of most major site infrastructure in a single drainage (North Fork Koktuli), and the absence of any primary mine operations in the Upper Talarik drainage; • a more conservative Tailings Storage Facility ("**TSF**") design, including enhanced buttresses, flatter slope angles, an improved factor of safety and a significant reduction in the amount of water in the facility; • separation of potentially acid generating ("**PAG**") tailings from non-PAG bulk tailings for storage in a fully-lined TSF; • no permanent waste rock piles; and • no secondary gold recovery plant (i.e. no cyanide usage).	• development footprint substantially smaller than envisaged prior to 2014, with consolidation of most major site infrastructure in a single drainage (North Fork Koktuli), and the absence of any primary mine operations in the Upper Talarik drainage; • a more conservative TSF design, including enhanced buttresses, flatter slope angles, an improved factor of safety and a significant reduction in the amount of water in the facility; • separation of PAG tailings from non-PAG bulk tailings for storage in a fully-lined TSF; • co-storage of PAG waste rock within the PAG TSF and transfer of the PAG tailings and waste rock to the open pit at closure; • no permanent waste rock piles; and • no secondary gold recovery plant.,(i.e. no cyanide usage).

[3] Includes access road, spurs and ferry crossing.

The project proposed in the Project Description uses a portion of the currently estimated Pebble mineral resources. This does not preclude development of additional resources in other phases of the project in the future, but such development would require additional evaluation and would be subject to separate permitting processes.

Recent Work

On February 20, 2019, the USACE released the Draft EIS. The Draft EIS describes the project developed as an open pit mine and processing facility with supporting infrastructure with the significantly smaller development footprint than previously envisaged, and other additional environmental safeguards as described in the Project Description. Northern Dynasty cautions that the current Project Description may not be the ultimate development plan for the project and that a final project design has not been selected.

The Draft EIS assesses the access route described in the Project Description as well as other alternatives. No preferred alternative was identified in the Draft EIS, allowing USACE to incorporate input from the cooperating agencies and the public on various alternatives presented in the Draft EIS during the public review process.

The Draft EIS shows:

- the Pebble application to be complete, with no substantive data gaps;
- no new environmental issues identified; and
- no impacts identified that cannot be mitigated.

The USACE has forecast completion of the Final EIS for the Pebble Project in mid-2020.

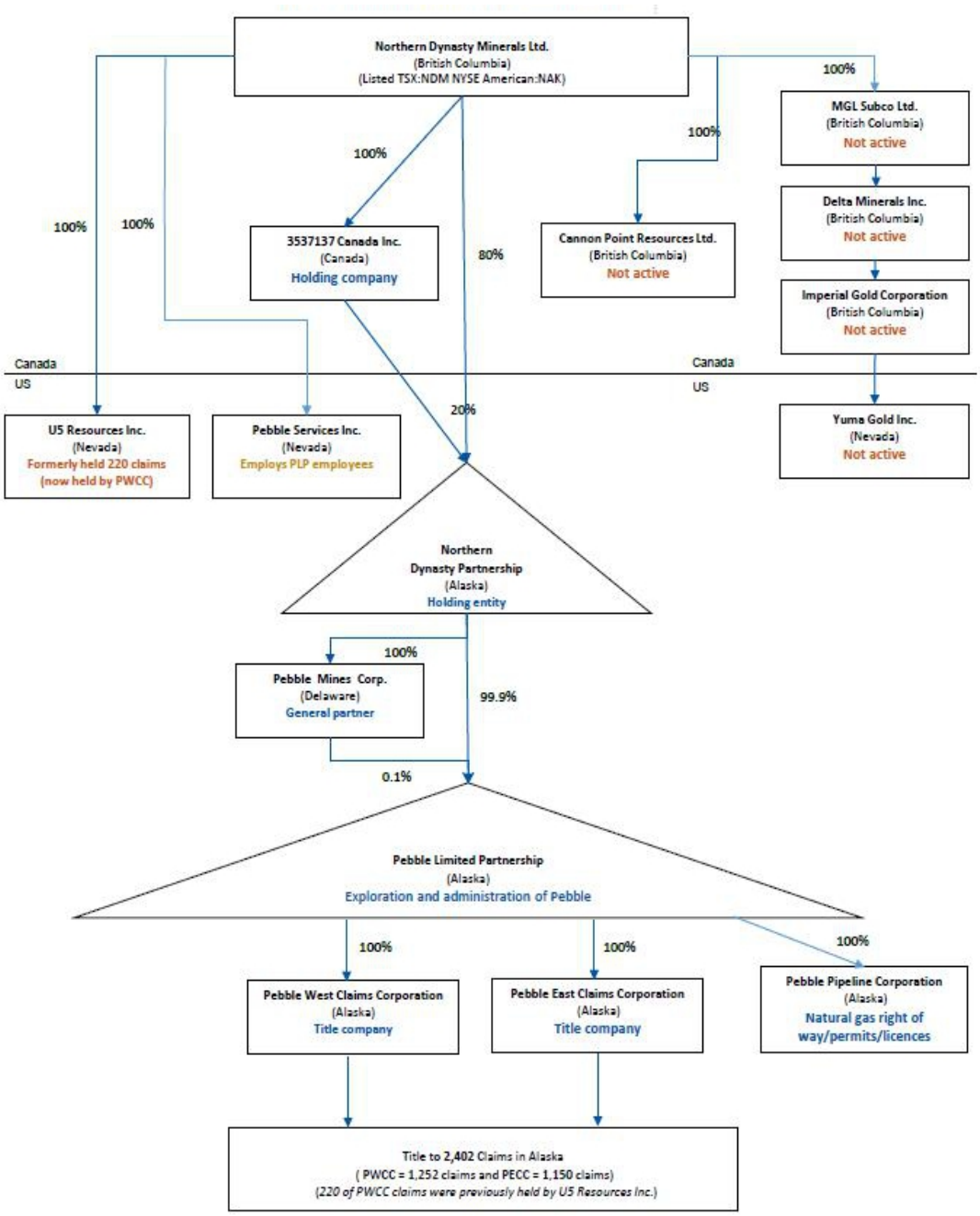
Northern Dynasty, through Pebble Partnership, has also continued to advance engineering and environmental studies. In 2019, technical programs at Pebble were focused mainly on planning and deploying site investigations related to supporting the EIS and federal permitting process, and the natural gas pipeline right-of-way application. The Pebble Partnership's technical team also reviewed and submitted comments on the Draft EIS, and responded to Request For Information ("**RFI**"), resulting from the review process.

C. Plans For 2020

In 2020, the Company plans to continue its efforts in support of the EIS process and toward federal permitting of the Pebble Project. Activities in this regard are expected to include: completing a comprehensive review of the Final EIS and providing responses to RFIs from the USACE thereafter; planning and implementing engineering and environmental field studies and data collection programs. In addition, the Company will continue to engage and consult with project stakeholders to share information and gather feedback on the Pebble Project. Discussions to secure a major funding partner with which to advance the overall development of the Pebble Project will continue, as well as financing activities as necessary to support ongoing work.

D. Organizational Structure

Structure as at December 31, 2019:



E. Property, Plant and Equipment

The Company's principal property is the Pebble Project, as discussed in A and B, above.

The Company has approximately $907 in plant and equipment (excluding right-of-use assets) primarily at the Pebble Project site located in Iliamna.

The Company, through the Pebble Partnership, has leased premises in Anchorage and at the Pebble Project site and as result the Company has lease commitments which have been disclosed in the accompanying audited financial statements.

F. Risk Factors

The securities of Northern Dynasty are highly speculative and subject to a number of risks. A prospective investor or other person reviewing Northern Dynasty for a prospective investor should not consider an investment in Northern Dynasty unless the investor is capable of sustaining an economic loss of their entire investment. The risks associated with Northern Dynasty's business include:

Risk associated with the Novel C*oronavirus *("COVID-19")

The current outbreak of COVID-19, and any future emergence and spread of similar pathogens, could have a material adverse effect on global and local economic and business conditions which may adversely impact our business and results of operations and the operations of contractors and service providers. The outbreak has now spread to the United States and Canada where we conduct our principal business operations. Our plans to advance the development of the Pebble Project are dependent upon the continued progress of our approval and permitting process with the USACE, the EPA and Alaskan state agencies, as well as our ability to continue the work required in connection with this process through our employees and our contractors. While we have not been notified of any delay, it is possible that government efforts to curtail the COVID-19 outbreak will result in delays in our permitting process, including a possible delay in the release by the USACE of their EIS and the progress through to a Record of Decision. In addition, our personnel may be delayed in completing the required work that we are pursuing in connection with this process due to quarantine, self-isolation, social distancing, restrictions on travel, restrictions on meetings and work from home requirements. The extent to which the coronavirus impacts our operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak, new information that may emerge concerning the severity of the coronavirus and the actions taken to contain the coronavirus or treat its impact, among others. Moreover, the spread of the coronavirus globally is expected to have a material adverse effect on global and regional economies and to continue to negatively impact stock markets, including the trading price of our shares. These adverse effects on the economy, the stock market and our share price could adversely impact our ability to raise capital, with the result that our ability to pursue development of the Pebble Project could be adversely impacted, both through delays and through increased costs. Any of these developments, and others, could have a material adverse effect on our business and results of operations and could delay our plans for development of the Pebble Project.

Inability to Ultimately Achieve Mine Permitting and Build a Mine at the Pebble Project

The Company may ultimately be unable to secure the necessary permits under United States Federal and Alaskan State laws to build and operate a mine at the Pebble Project. There is no assurance that the EPA will not seek to undertake future regulatory action to impede or restrict the Pebble Project. In addition, there are prominent and well-organized opponents of the Pebble Project and the Company may be unable, even if we present solid scientific and technical evidence of risk mitigation, to overcome such opposition and convince governmental authorities that a mine should be permitted at the Pebble Project. The Company faces not only the permitting and regulatory issues typical of companies seeking to build a mine, but additional public and regulatory scrutiny due to its location and potential size. Accordingly, there is no assurance that the Company will obtain the required permits. The Company has filed a CWA 404 permit application with the USACE, which has triggered an EIS process under NEPA. The EIS process under NEPA, and the requirement for the Company to secure a broad range of other permits and authorizations from multiple federal and state regulatory agencies will take several years. After all permits necessary to begin construction are in hand, a number of years would be required to finance and build a mine and commence operations. During these periods, the Company would likely have no income and so would require additional financing to continue its operations. Unless and until we build a mine at the Pebble Project we will be unable to achieve revenues from operations and may not be able to sell or otherwise recover our investment in the Pebble Project, which would have a material adverse effect on the Company and an investment in the Company's common shares.

Risk of Secure Title or Property Interest

There can be no certainty that title to any property interest acquired by the Company or any of its subsidiaries is without defects. Although the Company has taken reasonable precautions to ensure that legal title to its properties is properly documented, there can be no assurance that its property interests may not be challenged or impugned. Such property interests may be subject to prior unregistered agreements or transfers or other land claims, and title may be affected by undetected defects and adverse laws and regulations.

The Pebble Partnership's mineral concessions at Pebble are located on State of Alaska lands specifically designated for mineral exploration and development. Alaska is a stable jurisdiction with a well-developed regulatory and legal framework for resource development and public lands management, a strong commitment to the rule of law and lengthy track record for encouraging investment in the development of its land and natural resources.

The Pebble Project is Subject to Political and Environmental Opposition

As is typical for a large-scale mining project, the Pebble Project faces concerted opposition from many individuals and organizations who are motivated to preclude any possible mining in the Bristol Bay Watershed ("**BBW**"). The BBW is an important wildlife and salmon habitat area. Accordingly, one of the greatest risks to the Pebble Project is seen to be political/permitting risk, which may ultimately preclude construction of a mine at Pebble. Opposition may include legal challenges to exploration and development permits, which may delay or halt development. Other tactics may also be employed by opposition groups to delay or frustrate development at Pebble, included political and public advocacy, electoral strategies, media and public outreach campaigns and protest activity.

The Pebble Partnership's Mineral Property Interests Do Not Contain Any Ore Reserves or Any Known Body of Economic Mineralization.

Although there are known bodies of mineralization on the Pebble property, and the Pebble Partnership has completed core drilling programs within, and adjacent to, the known deposits to determine measured and indicated resources, there are currently no known reserves or body of commercially viable ore. Accordingly, the Pebble Project must be considered an exploration prospect only. Extensive additional work is required before Northern Dynasty or the Pebble Partnership can ascertain if any mineralization may be economic and hence constitute "ore".

Mineral Resources Disclosed by Northern Dynasty or the Pebble Partnership for the Pebble Project are Estimates Only.

Northern Dynasty has included mineral resource estimates that have been made in accordance with NI 43-101. These resource estimates are classified as "measured resources", "indicated resources" and "inferred resources". Northern Dynasty advises United States investors that although with the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources", there is no assurance any mineral resources that Northern Dynasty may report as "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" under NI 43-101 would be the same had Northern Dynasty prepared the resource estimates under the standards adopted under the SEC Modernization Rules. Investors are cautioned not to assume that any part or all of mineral deposits classified as "measured resources" or "indicated resources" will ever be converted into ore reserves. Further, "inferred resources" have a great amount of uncertainty as to their existence, and economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or prefeasibility studies, except in rare cases. Investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.

All amounts of mineral resources are estimates only, and Northern Dynasty cannot be certain that any specified level of recovery of metals from the mineralized material will in fact be realized or that the Pebble Project or any other identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body that can be economically exploited. Mineralized material which is not mineral reserves does not have demonstrated economic viability. In addition, the quantity of mineral reserves and mineral resources may vary depending on, among other things, metal prices and actual results of mining. There can be no assurance that any future economic or technical assessments undertaken by the Company with respect to the Pebble Project will demonstrate positive economics or feasibility.

Negative Operating Cash Flow

The Company currently has a negative operating cash flow and will continue for the foreseeable future. Accordingly, the Company will require substantial additional capital in order to fund its future exploration and development activities. The Company does not have any arrangements in place for this funding and there is no assurance that such funding will be achieved when required. Any failure to obtain additional financing or failure to achieve profitability and positive operating cash flows will have a material adverse effect on its financial condition and results of operations.

Northern Dynasty Has No History Of Earnings and No Foreseeable Earnings, and May Never Achieve Profitability or Pay Dividends.

Northern Dynasty has only had losses since inception and there can be no assurance that Northern Dynasty will ever be profitable. Northern Dynasty has paid no dividends on its shares since incorporation. Northern Dynasty presently has no ability to generate earnings from its mineral properties as its mineral properties are in the pre-development stage.

Northern Dynasty's Consolidated Financial Statements Have Been Prepared Assuming Northern Dynasty Will Continue on a Going Concern Basis.

Northern Dynasty's consolidated financial statements have been prepared on the basis that Northern Dynasty will continue as a going concern. At December 31, 2019, Northern Dynasty had negative working capital of approximately $0.2 million. Although Northern Dynasty in the year ended December 31, 2019, completed a number of financings for gross proceeds of approximately US$49.5 million ($65.8 million) and closed a private placement of US$4.2 million ($5.6 million) in January 2020 (of which $0.7 million was received in December 2019), additional financing will be required in 2020 for continued corporate expenditures and material expenditures at the Pebble Project. Northern Dynasty's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interest are entirely dependent upon the existence of economically recoverable mineral reserves at the Pebble Project, the ability of the Company to finance the completion of the exploration and development of the Pebble Project, the Pebble Partnership obtaining the necessary permits to mine, and on future profitable production at the Pebble Project. Furthermore, failure to continue as a going concern would require that Northern Dynasty's assets and liabilities be restated on a liquidation basis, which would likely differ significantly from their going concern assumption carrying values.

As the Pebble Project is Northern Dynasty's Only Mineral Property Interest, the Failure to establish that the Pebble Project Possesses Commercially Viable and Legally Mineable Deposits of Ore May Cause a Significant Decline in the Trading Price of Northern Dynasty's Common Shares and Reduce Its Ability to Obtain New Financing.

The Pebble Project is Northern Dynasty's only mineral project. Northern Dynasty's principal business objective is to carry out further exploration and related activities to establish whether the Pebble Project possesses commercially viable deposits of ore. If Northern Dynasty is not successful in its plan of operations, Northern Dynasty may have to seek a new mineral property to explore or acquire an interest in a new mineral property or project. Northern Dynasty anticipates that such an outcome would adversely impact the price of Northern Dynasty's common shares. Furthermore, Northern Dynasty anticipates that its ability to raise additional financing to fund exploration of a new property or the acquisition of a new property or project would be impaired as a result of the failure to establish commercial viability of the Pebble Project.

If Prices for Copper, Gold, Molybdenum and Silver Decline, Northern Dynasty May Not Be Able to Raise the Additional Financing Required to Fund Expenditures for the Pebble Project.

The ability of Northern Dynasty to raise financing to fund the Pebble Project, will be significantly affected by changes in the market price of the metals for which it explores. The prices of copper, gold, molybdenum and silver are volatile, and are affected by numerous factors beyond Northern Dynasty's control. The level of interest rates, the rate of inflation, the world supplies of and demands for copper, gold, molybdenum and silver and the stability of exchange rates can all cause fluctuations in these prices. Such external economic factors are influenced by changes in international investment patterns and monetary systems and political developments. The prices of copper, gold, molybdenum and silver have fluctuated in recent years, and future significant price declines could cause investors to be unprepared to finance exploration of copper, gold, molybdenum and silver, with the result that Northern Dynasty may not have sufficient financing with which to fund its exploration activities.

Mining is Inherently Dangerous and subject to Conditions or Events beyond the Company's control, which could have a Material Adverse Effect on the Company's Business.

Hazards such as fire, explosion, floods, structural collapses, industrial accidents, unusual or unexpected geological conditions, ground control problems, power outages, inclement weather, seismic activity, cave-ins and mechanical equipment failure are inherent risks in the Company's exploration, development and mining operations. These and other hazards may cause injuries or death to employees, contractors or other persons at the Company's mineral properties, severe damage to and destruction of the Company's property, plant and equipment and mineral properties, and contamination of, or damage to, the environment, and may result in the suspension of the Company's exploration and development activities and any future production activities. Safety measures implemented by the Company may not be successful in preventing or mitigating future accidents.

Northern Dynasty Competes with Larger, Better Capitalized Competitors in the Mining Industry.

The mining industry is competitive in all of its phases, including financing, technical resources, personnel and property acquisition. It requires significant capital, technical resources, personnel and operational experience to effectively compete in the mining industry. Because of the high costs associated with exploration, the expertise required to analyze a project's potential and the capital required to develop a mine, larger companies with significant resources may have a competitive advantage over Northern Dynasty. Northern Dynasty faces strong competition from other mining companies, some with greater financial resources, operational experience and technical capabilities than Northern Dynasty possesses. As a result of this competition, Northern Dynasty may be unable to maintain or acquire financing, personnel, technical resources or attractive mining properties on terms Northern Dynasty considers acceptable or at all.

Compliance with Environmental Requirements will take Considerable Resources and Changes to these Requirements Could Significantly Increase the Costs of Developing the Pebble Project and Could Delay these Activities.

The Pebble Partnership and Northern Dynasty must comply with stringent environmental legislation in carrying out work on the Pebble Project. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Changes in environmental legislation could increase the cost to the Pebble Partnership of carrying out its exploration and, if warranted, development of the Pebble Project. Further, compliance with new or additional environmental legislation may result in delays to the exploration and, if warranted, development activities.

Changes in Government Regulations or the Application Thereof and the Presence of Unknown Environmental Hazards on Northern Dynasty's Mineral Properties May Result in Significant Unanticipated Compliance and Reclamation Costs.

Government regulations relating to mineral rights tenure, permission to disturb areas and the right to operate can adversely affect Northern Dynasty. Northern Dynasty and the Pebble Partnership may not be able to obtain all necessary licenses and permits that may be required to carry out exploration at the Pebble Project. Obtaining the necessary governmental permits is a complex, time-consuming and costly process. The duration and success of efforts to obtain permits are contingent upon many variables not within our control. Obtaining environmental permits may increase costs and cause delays depending on the nature of the activity to be permitted and the interpretation of applicable requirements implemented by the permitting authority. There can be no assurance that all necessary approvals and permits will be obtained and, if obtained, that the costs involved will not exceed those that we previously estimated. It is possible that the costs and delays associated with the compliance with such standards and regulations could become such that we would not proceed with the development or operation of a mine at the Pebble Project.

Litigation

The Company is currently, and may in future be subject to legal proceedings, including with regard to actions in Item 12 Legal in the pursuit of its Pebble Project. Given the uncertain nature of these actions, the Company cannot reasonably predict the outcome thereof. If the Company is unable to resolve these matters favorably it may have a material adverse effect on the Company.

Northern Dynasty is Subject to Many Risks that Are Not Insurable and, as a Result, Northern Dynasty Will Not Be Able to Recover Losses Through Insurance Should Certain Events Occur.

Hazards such as unusual or unexpected geological formations and other conditions are involved in mineral exploration and development. Northern Dynasty may become subject to liability for pollution, cave-ins or hazards against which it cannot insure. The payment of such liabilities could increase Northern Dynasty's operating expenses which could, in turn, have a material adverse effect on Northern Dynasty's financial position and its results of operations. Although Northern Dynasty and the Pebble Partnership maintain liability insurance in an amount which we consider adequate, the nature of these risks is such that the liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or Northern Dynasty and the Pebble Partnership might elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event Northern Dynasty could incur significant liabilities and costs that could materially increase Northern Dynasty's operating expenses.

If Northern Dynasty Loses the Services of Key Personnel that It Engages to Undertake Its Activities, then Northern Dynasty's Plan of Operations May Be Delayed or Be More Expensive to Undertake than Anticipated.

Northern Dynasty's success depends to a significant extent on the performance and continued service of certain independent contractors, including Hunter Dickinson Services Inc. ("HDSI"). The Company has access to the full resources of HDSI, an experienced exploration and development firm with in-house geologists, engineers and environmental specialists, to assist in its technical review of the Pebble Project. There can be no assurance that the services of all necessary key personnel will be available when required or if obtained, that the costs involved will not exceed those that we previously estimated. It is possible that the costs and delays associated with the loss of services of key personnel could become such that we would not proceed with the development or operation of a mine at the Pebble Project.

The Market Price of Northern Dynasty's Common Shares is Subject to High Volatility and Could Cause Investor Loss.

The market price of a publicly traded stock, especially a resource issuer like Northern Dynasty, is affected by many variables in addition to those directly related to exploration successes or failures. Such factors include the general condition of markets for resource stocks, the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public markets for the stock. The effect of these and other factors on the market price of the Company's common shares suggests Northern Dynasty's shares will continue to be volatile. Therefore, investors could suffer significant losses if Northern Dynasty's shares are depressed or illiquid when an investor needs to sell Northern Dynasty shares.

Northern Dynasty Will Require Additional Funding to Meet the Development Objectives of the Pebble Project.

Northern Dynasty will need to raise additional financing (share issuances, debt or asset level partnering) to achieve permitting and development of the Pebble Project. In addition, a positive production decision at the Pebble Project would require significant capital for project engineering and construction. Accordingly, the continuing permitting and development of the Pebble Project will depend upon Northern Dynasty's ability to obtain financing through debt financing, equity financing, the joint venturing of the project, or other means. There can be no assurance that Northern Dynasty will be successful in obtaining the required financing, or that it will be able to raise the funds on terms that do not result in high levels of dilution to shareholders.

Item 6. Dividends

The Company has not paid any dividends on any of its shares since incorporation and does not presently have any intention of paying dividends.

Item 7. Description of Capital Structure

Northern Dynasty's share capital consists of one class only, namely common shares without par value, of which an unlimited number of shares are authorized and 422,942,680 common shares without par value were issued and outstanding as fully paid and non-assessable as of December 31, 2019. The audited consolidated annual financial statements provide share issuances effected by Northern Dynasty and the weighted average issue price for shares since January 1, 2017.

There have been no changes in the classification of common shares (reclassifications, consolidations, reverse splits or the like) within the previous five years. All common shares of Northern Dynasty rank pari passu (i.e. equally) for voting and the payment of any dividends and distributions in the event of a windup.

There are no constraints imposed on the ownership of securities of Northern Dynasty.

Northern Dynasty's securities have not received any ratings from any rating organization.

Northern Dynasty has entered into registration rights agreements with certain United States shareholders as part of past financing activities. See the Company's US public filings at www.sec.gov.

Item 8. Market for Securities

Trading Markets

Northern Dynasty's common shares have been listed in Canada on the TSX since October 2007, under the symbol NDM and have traded in the US on NYSE American (formerly NYSE MKT), since November 2004, under the symbol NAK.

The following tables set forth, for the periods indicated, the share price history on the TSX and on the NYSE American. Share trading information is available through free internet search services (see below).

Fiscal Year Ended December 31,	TSX Trading under the symbol NDM			NYSE American Trading under the symbol NAK		
	High ($)	Low ($)	Average daily trading volume	High (US$)	Low (US$)	Average daily trading volume
2019	1.47	0.50	290,638	1.12	0.38	1,722,131
2018	2.32	0.55	309,266	1.86	0.43	1,416,234
2017	4.54	1.43	1,700,010	3.45	1.06	5,399,128
2016	3.12	0.28	775,654	2.50	0.20	1,295,079
2015	0.83	0.37	55,058	0.72	0.28	103,728
2014	1.85	0.38	56,803	1.70	0.32	204,562

Fiscal Quarter	TSX Trading under the symbol NDM			NYSE American Trading under the symbol NAK		
	High ($)	Low ($)	Average daily trading volume	High (US$)	Low (US$)	Average daily trading volume
Q4 2019	0.86	0.50	235,984	0.66	0.38	1,552,302
Q3 2019	1.25	0.60	453,635	0.95	0.46	2,577,083
Q2 2019	0.88	0.56	173,634	0.66	0.41	1,363,837
Q1 2019	1.47	0.79	299,438	1.12	0.57	1,373,354
Q4 2018	1.12	0.57	221,309	0.84	0.43	1,072,321
Q3 2018	0.89	0.63	145,269	0.68	0.48	726,848
Q2 2018	1.25	0.55	374,090	1.00	0.43	1,302,636
Q1 2018	2.32	1.00	495,722	1.86	0.81	2,602,598

Last twelve months	TSX Trading under the symbol NDM			NYSE American Trading under the symbol NAK		
	High ($)	Low ($)	Average daily trading volume	High (US$)	Low (US$)	Average daily trading volume
February 2020	0.93	0.56	890,790	0.71	0.42	3,673,756
January 2020	0.62	0.52	252,833	0.49	0.40	1,640,829
December 2019	0.75	0.50	490,738	0.56	0.38	2,629,081
November 2019	0.86	0.68	83,869	0.66	0.51	996,770
October 2019	0.79	0.66	149,591	0.60	0.50	1,052,226
September 2019	0.95	0.76	169,615	0.72	0.57	1,429,170
August 2019	1.25	0.77	635,234	0.95	0.56	3,108,036
July 2019	1.20	0.60	538,489	0.92	0.46	3,089,686
June 2019	0.84	0.56	264,957	0.65	0.41	2,085,195
May 2019	0.76	0.58	162,788	0.57	0.42	1,187,550
April 2019	0.88	0.70	98,022	0.66	0.52	861,510
March 2019	1.23	0.79	304,118	0.94	0.60	1,382,114

Source for share price information:

- For TSX, refer to www.tmxmoney.com, enter NDM.TO; and.
- For NYSE American, use either https://www.nyse.com/listings_directory/stock or https://ca.finance.yahoo.com/ and enter NAK)

Item 9. Escrowed Securities

Following the Company's acquisition of Mission Gold Ltd. on December 24, 2015 there are currently 753,728 common shares in the capital of the Company held in escrow pursuant to TSX-V value escrow agreements and supplemental escrow agreements dated February 13, 2013 among Delta Gold Corporation, a predecessor company to Mission Gold Ltd. (the "issuer"), Olympia Trust Company and the holder of the escrowed shares.

In addition to the applicable TSX-V time-based release conditions, the supplemental escrow agreements provide, among other things, that the escrowed shares shall not be released from escrow until the issuer has obtained requisite permits authorizing exploration and development activities at the issuer's Imperial Project which would allow the issuer to complete the drilling component of the Phase 1 recommended work program as set out in the issuer's filing statement dated December 28, 2012.

Except as outlined above, there are no shares of Northern Dynasty held in escrow.

Item 10 Directors and Officers

The names and municipalities of residence of the directors and officers of the Company, their principal occupations during the past five years, and the period of time they have served as directors or officers of Northern Dynasty are presented in the table below. Except where indicated, each director and senior officer of Northern Dynasty has held the same or similar principal occupation with the organization indicated or a predecessor thereof for the last five years. Where shown, the reference to "CEO" refers to "Chief Executive Officer" and "CFO" to "Chief Financial Officer".

Name	Position	Director or Officer Since
Desmond M. Balakrishnan Vancouver, BC, Canada	Director	December 2015
Steven A. Decker (4) Sherman Oaks, CA, United States	Director	March 2016
Robert A. Dickinson Lions Bay, BC, Canada	Chairman of the Board and Director	June 1995
Gordon B. Keep (2)(3) Vancouver, BC, Canada	Director	October 2015
David C. Laing (3)(4) Vancouver, BC, Canada	Director	May 2016
Christian Milau (2)(4) Vancouver, BC, Canada	Director	May 2016
Kenneth W. Pickering (2)(3) Chemainus, BC, Canada	Director	September 2013
Mark Peters North Vancouver, BC, Canada	CFO	April 2019
Ronald W. Thiessen West Vancouver, BC, Canada	President, CEO and Director	November 1995
Trevor Thomas Vancouver, BC, Canada	Secretary	February 2008
Bruce Jenkins Vancouver, BC, Canada	Executive Vice President, Environment and Sustainability	June 2004
Stephen Hodgson Vancouver, BC, Canada	Vice President Engineering	March 2005
Sean Magee North Vancouver, BC, Canada	Vice President Public Affairs	October 2006
Doug Allen Seattle, WN, USA	Vice President Corporate Communications	June 2012

(1) To the best of the Company's knowledge, none of such persons has any family relationship with any other and none were elected as a director or appointed as an officer as a result of an arrangement or understanding with a major shareholder, customer, supplier, or any other party.
(2) Member of the Audit and Risk Committee.
(3) Member of the Compensation Committee.
(4) Member of the Nominating and Governance Committee.

As at March 26, 2019, the directors and officers of Northern Dynasty, and their respective affiliates, directly and indirectly, own or control as a group an aggregate of 11,645,245 common shares (2.7%), or 30,566,367 common shares (6.2%) on a diluted basis.

Biographical information

The following is the biographical information on each of the persons listed above:

Desmond M. Balakrishnan BA., LLB. – Director

Mr. Balakrishnan is a lawyer practicing in the areas of Corporate Finance and Securities, Mergers and Acquisitions, Lending, Private Equity and Gaming and Entertainment for McMillan LLP, where he has been a partner since 2004. McMillan serves as the Company's Canadian attorneys. He has been lead counsel on over $3 million in financing transactions and in mergers and acquisitions aggregating in excess of $6 billion. He also serves as a director and/or officer of several resource, finance and gaming firms. He holds CLA and BA from Simon Fraser University and a Bachelor of Laws (with Distinction) from the University of Alberta.

Mr. Balakrishnan is, or was within the past five years, an officer and/or director of the following public companies:

Company	Name of Market	Positions Held	From	To
Northern Dynasty Minerals Ltd.	TSX, NYSE American	Director	December 2015	Present
Aroway Energy Inc.	TSX-V	Director	July 2010	June 2017
Big Sky Petroleum Corporation	TSX-V	Director	November 2011	Present
Contagious Gaming Inc.	TSX-V	Director	August 2014	Present
Hillcrest Petroleum Ltd.	TSX-V	Secretary	January 2008	August 2015
Ynvisible Interactive Inc. (formerly Network Exploration Ltd.)	TSX-V	Secretary	May 2008	Present
Liberty One Lithium Corp. (formerly Petro Basin Energy Corp.)	TSX-V (NEX)	Director	February 2012	November 2018
Red Rock Capital Corp.	TSX-V (NEX)	Director	February 2012	September 2018
Solution financial Inc. (formerly Shelby Ventures Inc.)	TSX-V (NEX)	Director	December 2010	Present
Netcoins Inc.	CSE	Director	May 2018	Present
Karam Minerals Inc.	CSE	Director	October 2019	Present
Isracan Biosciences Inc.	CSE	Director	October 2019	Present

Steven A. Decker, CFA – Director

Mr. Decker is a Chartered Financial Analyst® charterholder with more than 20 years of investment experience as an Analyst and Portfolio Manager. He holds an MBA in Finance from the Marshall School of Business at the University of Southern California where he received the Marcia Israel Award for Entrepreneurship and was a manager of the California Equity Fund.

Mr. Decker is, or was within the past five years, an officer and/or director of the following public companies:

Company	Name of Market	Positions Held	From	To
Northern Dynasty Minerals Ltd.	TSX, NYSE American	Director	March 2016	Present

Robert A. Dickinson, B.Sc., M.Sc. – Chairman of the Board and Director

Mr. Dickinson is an economic geologist who has been actively involved in mineral exploration and mine development for over 45 years. He was inducted into the Canadian Mining Hall of Fame in 2012. He is Chairman of HDI and HDSI as well as a director and member of the management team of a number of the public companies associated with Hunter Dickinson Inc. He is also President and Director of United Mineral Services Ltd., a private resource company. He also serves as a Director of the Britannia Mine Museum and a Trustee of the BC Mineral Resources Education Program.

Mr. Dickinson is, or was within the past five years, an officer and/or director of the following public companies:

Company	Name of Market	Positions Held	From	To
Northern Dynasty Minerals Ltd.	TSX, NYSE American	Director	June 1994	Present
		Chairman	April 2004	Present
Amarc Resources Ltd.	TSX-V, OTCBB	Director	April 1993	Present
		Chairman	April 2004	Present
Heatherdale Resources Ltd.	TSX-V	Director	November 2009	Present
Northcliff Resources Ltd.	TSX	Director	June 2011	Present
Quartz Mountain Resources Ltd.	TSX-V	Director	December 2011	February 2019
		Chairman	December 2017	February 2019
Taseko Mines Limited	TSX, NYSE American	Director	January 1991	Present

Gordon B. Keep, B.Sc., MBA, P.Geo. – Director

Gordon Keep is a Professional Geologist with extensive business experience in investment banking and creating public natural resource companies. Mr. Keep is CEO of Fiore Management & Advisory Corp., a private financial advisory firm. He also serves as an officer and/or director for several natural resource companies. He holds a B.Sc. in Geological Science from Queen's University and an MBA from the University of British Columbia.

Mr. Keep is, or was within the past five years, an officer and/or director of the following public companies:

Company	Name of Market	Positions Held	From	To
Northern Dynasty Minerals Ltd.	TSX, NYSE American	Director	October 2015	Present
Tekmodo Industries Inc. (previously CarbonOne Technologies Inc.)	TSX-V	Director	July 2015	January 2017
Catalyst Copper Corp.	TSX-V	Director	April 2008	May 2016
Eastern Platinum Limited	TSX, JSE	Director	November 2003	July 2016
Encanto Potash Corp.	TSX-V	Director	December 2008	December 2017
		Chairman	October 2009	December 2017
Klondike Gold Corp.	TSX-V	Director	December 2013	Present
Oceanic Iron Ore Corp.	TSX-V	Director	September 2010	Present
Cruzsur Energy Ltd. (previously PentaNova Energy Corp.)	TSX-V	Director	July 2017	Present
Peregrine Diamonds Ltd.	TSX	Director	February 2005	July 2015
Petromanas Energy Inc.	TSX-V	Director	August 2010	May 2016
Renaissance Oil Corp.	TSX-V	Director	September 2014	Present
Rusoro Mining Ltd.	TSX-V	Director	July 2016	Present
Gold X Mining Corp.	TSX-V	Director	March 24, 2017	March 2020
Vanadian Energy Ltd. (previously Uracan Resources Ltd.)	TSX-V	Director	November 2003	Present

David Laing, BSc Mining Engineering – Director

Mr. Laing is a Mining Engineer with 40 years' experience in mining operations, projects, engineering studies, mining finance, investor relations, mergers and acquisitions, corporate development, and company building. He has also held senior positions in mining investment banking and technical consulting, most recently as Chief Operating Officer ("COO") of Equinox Gold, and True Gold. Prior to joining True Gold, Mr. Laing was Chief Operating Officer and led the origination and execution of stream financing transactions of Quintana Resources Capital ULC, a base metals streaming company. He was also one of the original executives of Endeavour Mining Corporation as the group grew from one mine in Burkina Faso to a 500,000 ounce gold producer in West Africa. Mr. Laing was an integral part of the acquisition and integration of three junior gold producers and led the feasibility of a fourth project, in Burkina Faso. Prior to these recent roles, Mr. Laing held senior positions in mining investment banking at Standard Bank in New York, technical consulting at MRDI in California, the Refugio project at Bema Gold Corp. and various roles at Billiton and Royal Dutch Shell's mining business.

Mr. Laing is, or was within the past five years, an officer and/or director of the following public companies:

Company	Name of Market	Positions Held	From	To
Northern Dynasty Minerals Ltd.	TSX, NYSE American	Director	May 2016	Present
Arian Silver Corporation	LSE	Director	December 2014	July 2015
Aton Resources Inc.	TSX-V	Director	May 2016	Present
CB Gold Inc.	TSX-V	Director	April 2014	August 2015
Equinox Gold Corp.[2]	TSX-V	COO	December 2017	Present
Fortuna Silver Mines Inc.	TSX, NYSE	Director	September 2016	Present
KBL Mining Limited	ASX	Director	March 2015	January 2016
Luna Gold Corp.[2]	TSX	COO and Director	August 2016	March 2017
Gold X Mining Corp.	TSX-V	Director	August 2015	March 2020
Trek Mining Inc.[2]	TSX-V	COO and Director	March 2017	December 2017
True Gold Mining Inc. [1]	TSX-V	COO	July 2015	April 2016

Note:

1. The Company was acquired by Endeavour in April 2016 and its shares were delisted.
2. The Company merged with TSX-V listed JDL Gold Corp. to form Trek Mining Inc. Trek Mining Inc. then merged with NewCastle Gold Ltd. and Anfield Gold Corp. to form Equinox Gold Corp.

Christian Milau, CPA, CA, CPA (Illinois) – Director

Mr. Milau is is a Chartered Professional Accountant (Chartered Accountant). Mr Milau is Chief Executive Officer ("CEO") and Director of Equinox Gold Corp. Prior to this he was President and CEO of Trek Mining Inc., Luna Gold Corp. and True Gold Mining Inc. and negotiated and closed the latter's sale to Endeavour Mining Corporation ("Endeavour"), where previously he served as Executive Vice President and CFO. While at Endeavour, Mr. Milau played a leading role in Endeavour's acquisition, financing, development, and operation of four gold mines in Burkina Faso, Côte d'Ivoire, Ghana and Mali. Mr. Milau has finance and capital markets experience as well as operational, government and stakeholder relations experience in West Africa, including successfully negotiating with governments on various mining conventions and tax matters. Prior to these recent roles, Mr. Milau was Treasurer of New Gold Inc. during the company's high growth period from 2008 to 2011 when he was involved in the financing and construction of the New Afton mine in British Columbia.

Mr. Milau is, or was within the past five years, an officer and/or director of the following public companies:

Company	Name of Market	Positions Held	From	To
Northern Dynasty Minerals Ltd.	TSX, NYSE American	Director	May 2016	Present
Equinox Gold Corp.[2]	TSX-V	CEO and Director	December 2017	Present
Luna Gold Corp. [2]	TSX	CEO and Director	August 2016	March 2017
Plateau Energy Metals Inc.	TSX-V	Director	June 2016	Present
Trek Mining Inc.[2]	TSX-V	CEO and Director	March 2017	December 2017
True Gold Mining Inc. [1]	TSX-V	President, CEO and Director	March 2015	May 2016

Note:

1. The Company was acquired by Endeavour in April 2016 and its shares were delisted.
2. The Company merged with TSX-V listed JDL Gold Corp to form Trek Mining Inc. Trek Mining Inc. then merged with NewCastle Gold Ltd. and Anfield Gold Corp. to form Equinox Gold Corp.

Kenneth W. Pickering., PEng. – Director

Mr. Pickering is a Professional Engineer and mining executive with 40 years of experience in a variety of capacities in the natural resources industry. He has led the development, construction and operation of world-class mining projects in Canada, Chile, Australia, Peru and the United States, focusing on operations, executive responsibilities and country accountabilities.

Mr. Pickering is, or was within the past five years, an officer and/or director of the following public companies:

Company	Name of Market	Positions Held	From	To
Northern Dynasty Minerals Ltd.	TSX, NYSE American	Director	September 2013	Present
Enaex Chile	IPSA	Director	May 2011	May 2018
Endeavour Silver Corp.	TSX, NYSE	Director	August 2012	Present
Pan Aust Minerals	ASX	Director	October 2011	August 2015
Taseko Mines Limited	TSX, NYSE American	Director	July 2018	Present
Teck Resources	TSX, NYSE American	Director	March 2015	Present
THEMAC Resources Group Limited	TSX-V	Director	March 2011	December 2016

Ronald W. Thiessen, FCPA, FCA – Director, President and Chief Executive Officer

Ronald Thiessen is a Chartered Professional Accountant with professional experience in finance, taxation, mergers, acquisitions and re-organizations. Since 1986, Mr. Thiessen has been involved in the acquisition and financing of mining and mineral exploration companies. Mr. Thiessen is a director of HDI and HDSI, a company providing management and administrative services to several publicly-traded companies and focuses on directing corporate development and financing activities.

Mr. Thiessen is, or was within the past five years, an officer and/or director of the following public companies:

Company	Name of Market	Positions Held	From	To
Northern Dynasty Minerals Ltd.	TSX, NYSE American	Director	November 1995	Present
		President and CEO	November 2001	Present
Amarc Resources Ltd.	TSX-V, OTCBB	Director	September 1995	February 2019
		CEO	September 2000	February 2019
Quartz Mountain Resources Ltd.	TSX-V	President, CEO and Director	December 2011	December 2017
Taseko Mines Limited	TSX, NYSE American	Director	October 1993	Present
		Chairman	May 2006	Present

Mark Peters, CPA, CA – Chief Financial Officer

Mark Peters is a Chartered Professional Accountant (CPA, CA) who has more than 18 years of experience in the areas of financial reporting and taxation, working primarily with Canadian and US public corporations. He is an experienced Chief Financial Officer, having served as CFO for HDSI since 2016 and a TSX Venture-listed company since 2012. Prior to that, Mr. Peters led the tax department for the HDI group of companies. Before joining HDI in 2007, Mr. Peters worked for PricewaterhouseCoopers LLP in the both the audit and tax groups.

Mr. Peters is, or was within the past five years, an officer and/or director of the following public companies:

Company	Name of Market	Positions Held	From	To
Northern Dynasty Minerals Ltd.	TSX, NYSE American	CFO	April 2019	Present
Heatherdale Resources Ltd.	TSX-V	CFO	March 2012	Present
Canada Rare Earth Corp.	TSX-V	Director	March 2017	Present

Trevor Thomas, LLB – Secretary

Trevor Thomas has practiced in the areas of corporate commercial, corporate finance, securities and mining law since 1995, both in private practice environment as well as in house positions and is currently general counsel for HDI. Prior to joining HDI, he served as in-house legal counsel with Placer Dome Inc.

Mr. Thomas is, or was within the past five years, an officer and/or director of the following public companies:

Company	Name of Market	Positions Held	From	To
Northern Dynasty Minerals Ltd.	TSX, NYSE American	Secretary	February 2008	Present
Amarc Resources Ltd.	TSX-V, OTCBB	Secretary	February 2008	Present
Heatherdale Resources Ltd.	TSX-V	Secretary	June 2013	Present
Mineral Mountain Resources Ltd.	TSX-V	Director	September 2016	Present
Northcliff Resources Ltd.	TSX	Secretary	June 2011	Present
Quadro Resources Ltd.	TSX-V	Secretary	June 2017	Present
Quartz Mountain Resources Ltd.	TSX-V	Secretary	June 2013	Present
Rathdowney Resources Ltd.	TSX-V	Secretary	March 2011	Present
RE Royalties Ltd.	TSX-V	Secretary	November 2018	Present
Taseko Mines Limited	TSX, NYSE American	Secretary	July 2008	Present

Bruce Jenkins – Executive Vice President, Environment and Sustainability

Bruce Jenkins is an environmental and government relations executive with more than 40 years of experience in project and corporate management. He supports the Pebble Partnership and helps guide environmental studies, mitigation planning and permitting activities. Mr. Jenkins is also Executive Vice President of Environment and Sustainability for Hunter Dickinson Inc.

Stephen Hodgson – Vice President, Engineering

Stephen Hodgson is a professional engineer with over 40 years of experience in consulting, project management, feasibility-level design and implementation, and mine operations at some of the largest mineral development projects in the world. He brings a unique perspective to the Pebble team with his experience at northern and Arctic mines. He has led the Northern Dynasty engineering team since 2005. Currently he is also Senior Vice President, Engineering and Project Director for the Pebble Limited Partnership.

Sean Magee – Vice President, Public Affairs

Sean Magee is a former journalist and speech writer with more than 25 years communications experience. His experience and expertise spans the fields of government and stakeholder relations, community and First Nations/Native engagement, media relations, crisis and issues management. He has played a central role at Pebble for more than a decade. He has had a working relationship with Hunter Dickinson Inc. for over 20 years and is the company's Executive Vice President of Strategic Communications and Public Affairs.

Doug Allen – Vice President, Corporate Communications

Doug Allen is an asset management industry specialist with more than 35 years of experience on both the sell-side and the buy-side of the investment industry. His experience includes extensive investment work in the mining industry. Mr. Allen serves as the primary liaison between the broker-dealer and asset management industries and the Company.

Committees of the Board of Directors

The following committees have been established by the members of Northern Dynasty's board of directors:

Committee	Membership
Audit and Risk Committee	Christian Milau (Chair) Gordon Keep Kenneth Pickering
Compensation Committee	Kenneth Pickering (Chair) Gordon Keep David Laing
Nominating and Governance Committee	David Laing (Chair) Steven Decker Christian Milau

The mandate of each of these committees is more particularly described in Northern Dynasty's Corporate Governance Policies and Procedures Manual available on the Company's website at: www.northerndynastyminerals.com.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or officer of Northern Dynasty is, as of the date of this Annual Information Form, or has been within the ten years before the date of this Annual Information Form, a director or officer of any company that while that person was acting in that capacity, was the subject of a cease trade order, penalties, sanctions or bankruptcy, during the time the individual was a director or within a one year period thereafter, or was a director or officer of a company during the time in which an event occurred which led to a cease trade order, penalties, sanctions or bankruptcy subsequent to the individual ceasing to act as a director or officer. This information has been provided by each director or officer, as the Company is unable to verify these statements independently.

As publicly disclosed at www.sedar.com, Great Basin Gold Ltd. ("GBG"), a company on whose board Mr. Thiessen formerly served, became insolvent and was liquidated commencing in September 2012. GBG was developing two gold projects using substantial debt financing when gold prices began their precipitous fall. Mr. Thiessen resigned in June 2013.

On May 21, 2013, the British Columbia Securities Commission ("BCSC") issued a cease trade order against Rusoro Mining Ltd. ("Rusoro"), a company for which Mr. Keep serves as a director. The cease order was for the failure by Rusoro to file its audited financial statements for the year ended December 31, 2012 and related MD&A ("2012 Year End Disclosure"). On June 5, 2013, and June 7, 2013, respectively, similar cease trade orders were issued against Rusoro by the Ontario Securities Commission ("OSC") and the Autorité des Marchés Financiers ("AMF"). On August 19, 2013, Rusoro filed its 2012 Year End Disclosure. On August 21, 2013, August 28, 2013 and September 4, 2013, BCSC, AMF and OSC respectively, granted full revocations of their cease trade orders. Rusoro was unable to file its 2012 Year End Disclosure by the required filing deadline because it experienced significant delays in preparing them due to the nationalization by the Venezuelan government of Rusoro's gold mining assets in Venezuela.

Potential Conflicts of Interest

Other than Mr. Decker, the directors of Northern Dynasty also serve as directors of other similar companies involved in natural resource development. Accordingly, it may occur that properties will be offered to such other companies. Furthermore, those other companies may participate in the same properties as those in which Northern Dynasty has an interest. As a result there may be situations which involve a potential conflict of interest or issues in connection with the doctrine of "corporate opportunity". In that event, a financially interested director would not be entitled to vote at meetings of directors in respect of a transaction involving the Company if it evokes any such conflict. The directors will attempt to avoid dealing with such other companies in situations where conflicts or corporate opportunity issues might arise and will at all times use their best efforts to act in the best interests of Northern Dynasty.

Item 11. Promoters

Not applicable.

Item 12. Legal

On February 14, 2017, short seller investment firm Kerrisdale Capital Management LLC published a negative piece (the "Kerrisdale Report") regarding the Pebble Project. Three putative shareholder class actions were filed against the Company and certain of its current officers and directors in US federal courts, specifically the Central District of California (Los Angeles) and the Southern District of New York (New York City). The cases were captioned: *Diaz v. Northern Dynasty Minerals Ltd. et al, Case No. 17-cv-01241 (C.D. Cal.); Kirwin v. Northern Dynasty Minerals Ltd. et al, Case No. 17-cv-01238 (S.D.N.Y.); and Schubert v. Northern Dynasty Minerals, Ltd., et al., Case No. 1:17-CV-02437 (S.D.N.Y.)* . The complaints relied on claims made in the Kerrisdale Report and alleged damages to a class of investors who purchased shares of the Company prior to the publication of the Kerrisdale Report and alleged liability for losses pursuant to Section 10(b) of the Exchange Act of 1934 and SEC Rule 10b-5 thereunder, as well as control person liability against the individual defendants pursuant to Section 20(a) of the Exchange Act.

The plaintiffs in both the *Kirwin* and *Schubert* actions voluntarily dismissed their claims without prejudice. The plaintiffs in the *Diaz* action continued to litigate and filed an amended complaint. The Company filed a motion to dismiss the amended complaint in the *Diaz* action, which the plaintiffs opposed. On April 30, 2018, the United States District Court for the Central District of California dismissed the plaintiffs' amended complaint in full, noting that its reliance on the sources in the Kerrisdale Report was an insufficient basis to allege securities fraud. The court allowed the plaintiffs an opportunity to amend their complaint, which they did in June 2018. The Company again moved to dismiss the new complaint, and briefing on the motion concluded in November 2018.

On February 22, 2019, the United States District Court for the Central District of California again dismissed all of the securities class action claims brought against the Company and certain of its officers and directors in the *Diaz* action, captioned *Victor Diaz v. Northern Dynasty Minerals Ltd., et al., Case No. CV 17-1241 PSG (SSx),* this time without leave to amend. The Court ruled in favor of the Company and its officers and directors on all claims and ordered the case closed.

In March 2019, the *Diaz* plaintiffs filed notice of an appeal of the district court's dismissal order, and their appeal was filed with the Ninth Circuit Court of Appeals, in California, in June 2019. The Company filed its response in August 2019 and the plaintiffs submitted their reply in October 2019, closing the briefing before the appellate court. The appeal will be reviewed *de novo*, meaning that no deference will be given to the earlier lower court rulings. A hearing on the appeal is scheduled for early May 2020 and the Company intends to continue defending itself vigorously in this action, and the outcome is not determinable at this time.

Risk Factors

The outcomes of the legal proceedings described above cannot be predicted and resolution of these legal proceedings will likely involve significant expense to the Company. In addition, adverse outcomes in these legal proceedings may have a material adverse effect on the Company's business, future prospects and financial condition. Investors should refer to the risk factors identified above under Item 5 – *Description of Business – Risk Factors*, starting on page 31, for a discussion of risks relating to the legal proceedings described above.

Regulatory Actions

There have been no:

(a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the most recently completed financial year,
or

(b) other material penalties or sanctions imposed by a court or regulatory body against the Company, or

(c) settlement agreements the Company entered into before a court relating to securities legislation or with a securities regulatory authority during the most recently completed financial year.

Item 13. Interest of Management and Others in Material Transactions

None of the directors or senior officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any material transactions of the Company other than as set out herein.

Certain directors of a private company, HDSI, a wholly owned subsidiary of HDI (see Item 10) are also directors of the Company. Pursuant to a management services agreement with HDSI, HDSI provides geological, corporate development, administrative and management services to, and incurs third party costs on behalf of, the Company and its subsidiaries at annually set rates. During the year ended December 31, 2019, the Company paid HDSI approximately $4.9 million (2018 – $5.6 million) for services rendered by HDSI and reimbursed HDSI approximately $0.9 million (2018 – $0.9 million) for third party costs incurred on the Company's behalf. Certain members of the Company's senior management including the Company's CFO are employed by HDSI rather than by Northern Dynasty directly.

Item 14. Transfer Agent and Registrar

The Company's registrar and transfer agent is Computershare Trust Company of Canada, located in Vancouver, BC.

Item 15. Material Contracts

Northern Dynasty's only material contract as of March 28, 2019 is:

- Corporate Services Agreement between Northern Dynasty and Hunter Dickinson Services Inc. dated July 2, 2010.

Other agreements are in the normal course of business.

Item 16. Interests of Experts

David Gaunt, P.Geo., James Lang, P.Geo., and Eric Titley, P.Geo., of Hunter Dickinson Services Inc. ("HDSI") and Stephen Hodgson, P.Eng., of HD Servicepay (US) Inc. ("HDUS"), a wholly-owned subsidiary of HDSI, and Ting Lu, P.Eng., of Tetra Tech Canada Inc., are persons:

- who are named as in a report described in a filing, or referred to in a filing, made under National Instrument 51-102 by the Company during, or relating to, the Company's most recently completed financial year; and
- whose profession or business gives authority to the report made by each of them.

Messrs. Gaunt, Lang and Titley are employees of HDSI, and Mr. Hodgson is an employee of HDUS, and hold interests in the common shares of the Company, directly or indirectly, or through share purchase options, representing less than 1% of the Company's outstanding share capital. Ms. Lu holds no interest in the Company.

Deloitte LLP have prepared the Report of Independent Registered Public Accounting Firm on the consolidated financial statements of the Company as of and for the years ended December 31, 2019 and 2018. Deloitte LLP is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Item 17. Additional Information

Additional information, including directors' and officers' remuneration, indebtedness of officers, executive stock options and interests of management and others in material transactions, where applicable, is contained in annual financial statements, management's discussion and analysis, proxy circulars and interim financial statements of the Company, available under the Company's profile on SEDAR at www.sedar.com and from the SEC's Electronic Document Gathering and Retrieval System ("**EDGAR**") at www.sec.gov.

The following documents can be obtained upon request from Northern Dynasty's Shareholder Communication Department by calling (604) 684-6365:

- this AIF, together with any document incorporated herein by reference;
- interim consolidated financial statements filed with Securities Commissions subsequent to the audited consolidated financial statements for the Company's most recently completed financial year; and
- the Proxy Circular for the annual general meeting of the Company when available.

The Company may require the payment of a reasonable charge from persons, other than security holders of the Company, requesting copies of these documents.

Item 18. Disclosure for Companies not Sending Information Circulars

Not applicable.

Item 19. Audit and Risk Committee, Auditor Fees, Exemptions, Code of Ethics

Audit and Risk Committee

Audit and Risk Committee ("Audit Committee") Charter

The Audit and Risk Committee has adopted a charter that sets out its mandate and responsibilities, and is attached to this AIF as Appendix A.

Composition of the Audit Committee

The Audit and Risk Committee currently consists of Christian Milau, Ken Pickering and Gordon Keep. Mr. Milau is the Chairman of the Audit and Risk Committee. The Committee reviews all financial statements of the Company prior to their publication, reviews audits performed, considers the adequacy of audit procedures, recommends the appointment of independent auditors, reviews and approves the professional services to be rendered by them and reviews fees for audit services. The Audit and Risk Committee Charter has set criteria for membership which all members of the Audit and Risk Committee are required to meet consistent with National Instrument 52-110 and other applicable regulatory requirements. The Audit and Risk Committee, as needed, meets separately (without management present) with the Company's auditors to discuss the various aspects of the Company's financial statements and the independent audit.

Each Audit and Risk Committee member is an independent director and is financially literate. Mr. Keep has extensive business knowledge and is a director of a number of companies. Mr. Pickering has been a member on other audit committees of publicly listed companies. Mr. Milau, the Audit and Risk Committee Chairman is a Chartered Professional Accountant and is a financial expert.

Relevant Education and Experience

As a result of their education and experience, each member of the Audit and Risk Committee has familiarity with, an understanding of, or experience in:

- the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- reviewing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, and
- an understanding of internal controls and procedures for financial reporting.

See disclosure regarding biographical information in Item 10.

Reliance On Certain Exemptions Available in NI 52-110

The Company's auditor, Deloitte LLP, has not provided any material non-audit services during the most recently completed fiscal year.

Pre-Approval Policies and Procedures

The Company has procedures for the review and pre-approval of any services performed by its auditor. The procedures require that all proposed engagements of its auditor for audit and non-audit services be submitted to the Audit and Risk Committee for approval prior to the beginning of any such services. The Audit and Risk Committee considers such requests and, if acceptable to a majority of the Audit and Risk Committee members, pre-approves such audit and non-audit services by a resolution authorizing management to engage the Company's auditor for such audit and non-audit services, with set maximum dollar amounts for each itemized service. During such deliberations, the Audit and Risk Committee assesses, among other factors, whether the services requested would be considered "prohibited services" as contemplated by the regulations of the SEC, and whether the services requested and the fees related to such services could impair the independence of the auditors.

Principal Accountant Fees and Services

The Audit and Risk Committee has reviewed the nature and amount of the audit and non-audit services provided by Deloitte LLP to the Company to ensure auditor independence. Fees incurred with Deloitte LLP for audit and non-audit services in the last two fiscal years are outlined in the following table.

Nature of Services		**Year ended December 31 2019**	Year ended December 31 2018
Audit Fees	the aggregate fees billed by our independent auditor for the audit of our annual consolidated financial statements, reviews of interim consolidated financial statements and attestation services that are provided in connection with statutory and regulatory filings or engagements.	$ 303,000	$ 110,000
Audit-Related Fees	include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.	–	–
Tax Fees	include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.	–	–
All Other Fees	include all other non-audit services.	–	–
Total		$ 303,000	$ 110,000

From time to time, management of the Company recommends to and requests approval from the Audit and Risk Committee for audit and non-audit services to be provided by the Company's auditors. The Audit and Risk Committee routinely considers such requests at committee meetings, and if acceptable to a majority of the audit committee members, pre-approves such audit and non-audit services by a resolution authorizing management to engage the Company's auditors for such non-audit services, with set maximum dollar amounts for each itemized service. During such deliberations, the Audit and Risk Committee assesses, among other factors, whether the non-audit services requested would be considered "prohibited services" as contemplated by the SEC, and whether the non-audit services requested and the fees related to such services could impair the independence of the auditors.

Code of Ethics

The Company has adopted a code of ethics that applies to all directors, officers and employees of the Company. A copy of the Code of Ethics, which is included as part of the Company's Governance Policies and Procedures Manual is available for download from the Company's website at www.northerndynastyminerals.com and under the Company's profile on SEDAR at www.sedar.com.

Appendix A - Audit and Risk Committee Charter

1. Purpose: Responsibilities and Authority

The Audit and Risk Committee (the "Audit Committee" or "Committee") shall carry out its responsibilities under applicable laws, regulations and stock exchange requirements with respect to the employment, compensation and oversight of the Company's independent auditor, and other matters under the authority of the Committee. The Committee also shall assist the Board of Directors in carrying out its oversight responsibilities relating to the Company's financial, accounting and reporting processes, the Company's system of internal accounting and financial controls, the Company's compliance with related legal and regulatory requirements, and the fairness of transactions between the Company and related parties. In furtherance of this purpose, the Committee shall have the following responsibilities and authority:

(a) ***Relationship with Independent Auditor.***

(i) Subject to the law of British Columbia as to the role of the Shareholders in the appointment of independent auditors, the Committee shall have the sole authority to appoint or replace the independent auditor.

(ii) The Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.

(iii) The independent auditor shall report directly to the Committee.

(iv) The Committee shall approve in advance all audit and permitted non-audit services with the independent auditor, including the terms of the engagements and the fees payable; provided that the Committee Chair may approve services to be performed by the independent auditors and the fee therefor between Committee meetings if the amount of the fee does not exceed $50,000, provided that any such approval shall be reported to the Committee at the next meeting thereof. The Committee may delegate to a subcommittee the authority to grant pre-approvals of audit and permitted non-audit services, provided that the decision of any such subcommittee shall be presented to the full Committee at its next scheduled meeting.

(v) At least annually, the Committee shall review and evaluate the experience and qualifications of the lead partner and senior members of the independent auditor team.

(vi) At least annually, the Committee shall obtain and review a report from the independent auditor regarding:

(A) the independent auditor's internal quality-control procedures;

(B) any material issues raised by the most recent internal quality-control review, or peer review, of the auditor, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm;

(C) any steps taken to deal with any such issues; and

(D) all relationships between the independent auditor and the Company.

(vii) At least annually, the Committee shall evaluate the qualifications, performance and independence of the independent auditor, including considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.

(viii) The Committee shall ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit, the concurring partner responsible for reviewing the audit, and other audit partners as required by law.

(ix) The Committee shall consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditing firm on a regular basis.

(x) The Committee shall recommend to the Board policies for the Company's hiring of employees or former employees of the independent auditor who were engaged on the Company's account or participated in any capacity in the audit of the Company.

(xi) The Committee shall oversee the implementation by management of appropriate information technology systems for the Company, including as required for proper financial reporting and compliance.

(b) ***Financial Statement and Disclosure Review.***

(i) The Committee shall review and discuss with management and the independent auditor the annual audited financial statements, including disclosures made in management's discussion and analysis, and recommend to the Board whether the audited financial statements should be filed with applicable securities regulatory authorities and included in the Company's annual reports.

(ii) The Committee shall review and discuss with management (and, to the extent the Committee deems it necessary or appropriate, the independent auditor) the Company's quarterly financial statements, including disclosures made in management's discussion and analysis, and recommend to the Board whether such financial statements should be filed with applicable securities regulatory authorities.

(iii) The Committee shall review and discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including the independent auditor's assessment of the quality of the Company's accounting principles, any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls over financial reporting, and any special steps adopted in light of material control deficiencies.

(iv) At least annually and prior to the publication of annual audited financial statements, the Committee shall review and discuss with management and the independent auditor a report from the independent auditor on:

(A) all critical accounting policies and practices used by the Company;

(B) all alternative accounting treatments of financial information that have been discussed with management since the prior report, ramifications of the use of such alternative disclosures and treatments, the treatment preferred by the independent auditor, and an explanation of why the independent auditor's preferred method was not adopted; and.

(C) other material written communications between the independent auditor and management since the prior report, such as any management letter or schedule of unadjusted differences, the development, selection and disclosure of critical accounting estimates, and analyses of the effect of alternative assumptions, estimates or GAAP methods on the Company's financial statements.

(v) Prior to their filing or issuance, the Committee shall review the Company's Annual Information Form/Annual Report to the SEC, quarterly and annual earnings press releases, and other financial press releases, including the use of "pro forma" or "adjusted" non-GAAP information.

(vi) The Committee shall review and discuss with management the financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be specific or it may be in general regarding the types of information to be disclosed and the types of presentations to be made.

(c) ***Conduct of the Annual Audit***.

The Committee shall oversee the annual audit, and in the course of such oversight the Committee shall have the following responsibilities and authority:

(i) The Committee shall meet with the independent auditor prior to the audit to discuss the planning and conduct of the annual audit, and shall meet with the independent auditor as may be necessary or appropriate in connection with the audit.

(ii) The Committee shall ascertain that the independent auditor is registered and in good standing with the Canadian Public Accountability Board and the Public Company Accounting Oversight Board ("PCAOB") and that the independent auditor satisfies all applicable Canadian independence standards (Canadian Auditing Standard 200), PCAOB Rule 3526 and SEC Regulation S-X, Section 2-01. The Committee shall obtain from the auditor a written description of all relationships between the auditor and the Company and persons in a financial reporting oversight role at the Company as per PCAOB Rule 3526 that may reasonably be thought to bear on independence.

(iii) The Committee shall discuss with the independent auditor the matters required to be discussed by PCAOB Auditing Standard No. 16 and Canadian Auditing Standard 260 relating to the conduct of the audit.

(iv) The Committee shall obtain from the independent auditor assurance that the audit was conducted in a manner consistent with Section 10A of the Securities Exchange Act of 1934 and that, in the course of conducting the audit, the independent auditor has not become aware of information indicating that an illegal act has or may have occurred or, if such an act may have occurred, that the independent auditor has taken all action required by Section 10A(b) of the Securities Exchange Act of 1934.

(v) The Committee shall make such inquiries to the management and the independent auditor as the Committee members deem necessary or appropriate to satisfy themselves regarding the efficacy of the Company's financial and internal controls and procedures and the auditing process.

(d) ***Compliance and Oversight***.

(i) The Committee shall meet periodically with management and the independent auditor in separate executive sessions. The Committee may also, to the extent it deems necessary or appropriate, meet with the Company's investment bankers and financial analysts who follow the Company.

(ii) The Committee shall discuss with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.

(iii) The Committee shall discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies, and regularly review the top risks identified by management and the policies and practices adopted by the Company to mitigate those risks.

(iv) At least annually and prior to the filing of the AIF/Annual Report to the SEC, the Committee shall review with management and the independent auditor the disclosure controls and procedures and confirm that the Company (with CEO and CFO participation) has evaluated the effectiveness of the design and operation of the controls within 90 days prior to the date of filing of the AIF/Annual Report to the SEC. The Committee also shall review with management and the independent auditor any deficiencies in the design and operation of internal controls and significant deficiencies or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls. As a part of that review, the Committee shall review the process followed in preparing and verifying the accuracy of the required CEO and CFO annual certifications.

(v) At least annually and prior to the filing of the AIF/Annual Report to the SEC, the Committee shall review with management and the independent auditor management's internal control report and assessment of the internal controls and procedures, and the independent auditor's report on and assessment of the internal controls and procedures. In connection with its review of interim and annual financial statements and related management's discussion and analysis, the Committee shall confirm with management that the Company (with CEO and CFO participation) has taken all actions required in connection with the certifications required by National Instrument NI 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings.

(vi) The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

(vii) The Committee shall discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or reports which raise material issues regarding the Company's financial statements or accounting policies.

(viii) At least annually, the Committee shall meet with the Company's legal counsel and discuss any legal matters that may have a material impact on the financial statements or the Company's compliance policies.

(ix) The Committee shall oversee the preparation of reports relating to the Audit Committee required under applicable laws, regulations and stock exchange requirements.

(x) The Committee shall exercise oversight with respect to anti-fraud programs and controls

(e) ***Related Party Transactions.***

(i) The Committee shall review for fairness to the Company proposed transactions, contracts and other arrangements between the Company and its subsidiaries and any related party or affiliate, and make recommendations to the Board whether any such transactions, contracts and other arrangements should be approved or continued. The foregoing shall not include any compensation payable pursuant to any plan, program, contract or arrangement subject to the authority of the Company's Compensation Committee.

(ii) As used herein the term "related party" means any officer or director of the Company or any subsidiary, or any shareholder holding a greater than 10% direct or indirect financial or voting interest in the Company, and the term "affiliate" means any person, whether acting alone or in concert with others, that controls, is controlled by or is under common control with another person. "Related party" includes Hunter Dickinson Services Inc., its principals, and their affiliates.

(f) ***Additional duties***. The Committee shall perform the following additional duties:

(i) The Committee shall review and recommend dividend policies.

(ii) The Committee shall oversee the Company's insurance program..

(iii) The Committee shall review the appointment of senior financial personnel and make recommendations to the Board of Directors regarding the appointment of the Chief Financial Officer.

(iv) The Committee shall recommend to the Nominating and Governance Committee the qualifications and criteria for membership on the Committee.

(v) The Committee shall review and discuss with management the requirement for annual public disclosure pursuant to the Extractive Sector Transparency Measures Act and shall be responsible for approving such disclosures.

2. Structure and Membership

(a) ***Number and qualification***.

The Committee shall consist of three persons unless the Board should from time to time otherwise determine. All members of the Committee shall meet the experience and financial literacy requirements of National Instrument NI 52-110 and the rules of the Toronto Stock Exchange and the NYSE American. At least one member of the Committee shall be a "financial expert" as defined in Item 407 of SEC Regulation S-K.

(b) ***Selection and Removal***.

Members of the Committee shall be appointed by the Board, upon the recommendation of the Nominating and Governance Committee. The Board may remove members of the Committee at any time with or without cause.

(c) ***Independence***.

All of the members of the Committee shall be "independent" as required for audit committees by National Instrument NI 52-110, the rules of the Toronto Stock Exchange and the NYSE American, and SEC Rule 10A-3.

(d) ***Chair***.

Unless the Board elects a Chair of the Committee, the Committee shall elect a Chair by majority vote.

(e) ***Compensation***.

The compensation of the Committee shall be as determined by the Board.

(f) **Term**.

Members of the Committee shall be appointed for one-year terms. Each member shall serve until his or her replacement is appointed, or until he or she resigns or is removed from the Board or the Committee.

3. Procedures and Administration

(a) ***Meetings***.

The Committee shall meet as often as it deems necessary in order to perform its responsibilities, but not less than quarterly. The Committee shall keep minutes of its meetings and any other records as it deems appropriate.

(b) ***Subcommittees***.

The Committee may form and delegate authority to one or more subcommittees, consisting of at least one member, as it deems appropriate from time to time under the circumstances.

(c) ***Reports to the Board***.

The Committee shall regularly report to the Board with respect to such matters as are relevant to the Committee's discharge of its responsibilities, and shall report in writing on request of the Chair of the Board.

(d) ***Charter***.

The Committee shall, at least annually, review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

(e) ***Independent Advisors***.

The Committee shall have the authority to engage such independent legal and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be regular advisors to the Company. The Committee is empowered, without further action by the Board, to cause the Company to pay appropriate compensation to advisors engaged by the Committee.

(f) ***Investigations***.

The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it deems appropriate, including the authority to request any Officer or other person to meet with the Committee and to access all Company records.

(g) ***Annual Self-Evaluation***.

The Committee shall evaluate its own performance at least annually.

4. Additional Powers

The Committee shall have such other duties as may be delegated from time to time by the Board of Directors.

5. Limitation of Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with GAAP and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

6. Committee Member Independence, Financial Literacy and Financial Expert Requirements

A. *Independence*

(a) See Appendix 2 of the Company's Corporate Governance Overview and Guidelines.

B. *Financial Literacy and Financial Expert Requirements*

NI 52-110

Section 3.1(4) states that each audit committee member must be financially literate.

Section 1.6 defines the meaning of financial literacy as follows:

"For the purposes of this Instrument, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements."

NYSE AMERICAN Section 803(B)(2)(a)(iii)

Each issuer must have an Audit Committee of at least three members, each of whom:

"is able to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement. Additionally, each issuer must certify that it has, and will continue to have, at least one member of the audit committee who is financially sophisticated, in that he or she has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including but not limited to being or having been a chief executive officer, chief financial officer, other senior officer with financial oversight responsibilities. A director who qualifies as an audit committee financial expert under Item 407(d)(5)(ii) of Regulation S-K is presumed to qualify as financially sophisticated."

ITEM 407(d)(5)(ii) 0F REGULATION S-K, DEFINITION OF FINANCIAL EXPERT

For purposes of this Item, an audit committee financial expert means a person who has the following attributes:

(A) An understanding of generally accepted accounting principles and financial statements;

(B) The ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;

(C) Experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant's financial statements, or experience actively supervising one or more persons engaged in such activities;

(D) An understanding of internal control over financial reporting; and

(E) An understanding of audit committee functions.

A person shall have acquired such attributes through:

(A) Education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions;

(B) Experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions;

(C) Experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or

Exhibit 99.8

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in Registration Statement No. 333-229262 on Form F-10 of our report dated April 1, 2019 relating to the consolidated financial statements of Northern Dynasty Minerals Ltd. and subsidiaries ("Northern Dynasty Minerals Ltd.") appearing in this Annual Report on Form 40-F of Northern Dynasty Minerals Ltd. for the year ended December 31, 2018.

/**s**/ ***Deloitte LLP***

Chartered Professional Accountants
Vancouver, Canada
March 30, 2020

Exhibit 99.9

CONSENT OF DAVID GAUNT

To: United States Securities and Exchange Commission

Re: Northern Dynasty Minerals Ltd. (the "Company")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the year ended December 31, 2019 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2019 (the "**AIF**"), and the Company's Management Discussion and Analysis for the year ended December 31, 2019 (the " **MD&A**").

I hereby consent to the use of my name in connection with reference to my involvement in the preparation of the following technical report (the "**Technical Report**"):

- 2018 Technical Report on the Pebble Project, Southwest Alaska, USA, effective date December 22, 2017

and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF, the MD&A and the Company's registration statement on Form F-10 registration statement, as amended (SEC No. 333-229262) (the "**Registration Statement**") and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF, the MD&A and the Registration Statement.

Dated the 30th day of March, 2020.

Yours truly,

/J. David Gaunt/

David Gaunt, PGeo.

Exhibit 99.10

CONSENT OF JAMES LANG

To: United States Securities and Exchange Commission

Re: Northern Dynasty Minerals Ltd. (the "Company")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the year ended December 31, 2019 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2019 (the "**AIF**").

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and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF, the MD&A and the Company's registration statement on Form F-10 registration statement, as amended (SEC No. 333-229262) (the "**Registration Statement**") and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF and the Registration Statement.

Dated the 30th day of March, 2020.

Yours truly,

/James Lang/

James Lang, PGeo.

Exhibit 99.11

CONSENT OF ERIC TITLEY

To: United States Securities and Exchange Commission

Re: Northern Dynasty Minerals Ltd. (the "Company")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the year ended December 31, 2019 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2019 (the "**AIF**").

I hereby consent to the use of my name in connection with reference to my involvement in the preparation of the following technical report (the "**Technical Report**"):

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and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF, the MD&A and the Company's registration statement on Form F-10 registration statement, as amended (SEC No. 333-229262) (the "**Registration Statement**") and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF and the Registration Statement.

Dated the 30th day of March, 2020.

Yours truly,

/E. Titley/

Eric Titley, PGeo.

Exhibit 99.12

CONSENT OF TING LU

To: United States Securities and Exchange Commission

Re: Northern Dynasty Minerals Ltd. (the "Company")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the year ended December 31, 2019 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2019 (the "**AIF**").

I hereby consent to the use of my name in connection with reference to my involvement in the preparation of the following technical report (the "**Technical Report**"):

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and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF, the MD&A and the Company's registration statement on Form F-10 registration statement, as amended (SEC No. 333-229262) (the "**Registration Statement**") and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF and the Registration Statement.

Dated the 30th day of March, 2020.

Yours truly,

/Ting Lu/

Ting Lu, PEng.
Tetra Tech Canada Inc.

Exhibit 99.13

CONSENT OF STEPHEN HODGSON

To: United States Securities and Exchange Commission

Re: Northern Dynasty Minerals Ltd. (the "Company")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F for the year ended December 31, 2019 to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2019 (the "**AIF**"), and the Company's Management Discussion and Analysis for the year ended December 31, 2019 (the " **MD&A**").

I hereby consent to the use of my name in connection with reference to my involvement in the preparation of the following technical report (the "**Technical Report**"):

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and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF, the MD&A and the Company's registration statement on Form F-10 registration statement, as amended (SEC No. 333-229262) (the "**Registration Statement**") and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF, the MD&A and the Registration Statement.

Dated the 30th day of March, 2020.

Yours truly,

/Stephen Hodgson/

Stephen Hodgson, PEng.