UNITED STATES 0
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, 2022 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.)*

14th 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: **529,779,388 Common Shares** as at December 31, 2022.

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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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, 2022 (the " **AIF**")	99.1
Audited Consolidated Financial Statements of the Company as at and for the years ended December 31, 2022 and 2021, including the reports of the Independent Registered Public Accounting Firm with respect thereto (the "**Audited Consolidated Financial Statements**")	99.2
Management's Discussion and Analysis of the Company for the year ended December 31, 2022 (the " **MD&A**")	99.3

FORWARD-LOOKING STATEMENTS

This annual report includes or incorporates by reference certain statements that constitute "forward-looking statements" within the meaning of Section 21E under the Exchange Act and Section 27A of the United States Securities Act of 1933, as amended. 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 success of our appeal of the Record of Decision (the " **ROD**") of the United States Army Corps of Engineers (the " **USACE**") denying the issuance of certain permits required for the Pebble Project and, and the timing of a decision of this appeal;

- our ability to successfully obtain federal permits and apply for and obtain 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**") and relevant legislation;
- our ability to successfully challenge the United States Environmental Protection Agency (" **EPA**")'s Final Determination;
- the outcome of the U.S. government investigations involving the Company;
- our ability to successfully defend against purported class action law suits that have been commenced against the Company;
- our plan of operations, including our plans to carry out and finance exploration and development activities;
- our ability to raise capital for exploration, permitting and development activities and meet our 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 the legal proceedings in which we are engaged;
- whether any additional prepayment investments will be made in connection with our gold and silver production Royalty Agreement for the Pebble Project;
- the uncertainties with respect to the effects of COVID-19;
- the uncertainties related to the conflict in the Ukraine; and
- factors relating to our investment decisions.

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

- that our appeal of the ROD with the USACE will be successful;
- 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 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 will be economically feasible based on a mine plan for which permitting can be secured;
- that we will be successful in challenging the EPA's Final Determination under the CWA;
- that the COVID-19 outbreak will not materially impact or delay our ability to obtain permitting for a mine at the Pebble Project;
- that the market prices of copper, gold, molybdenum, silver and rhenium 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 adequate financing 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:

- we may be unsuccessful in our appeal of the ROD with respect to the decision to deny the issuance of permits which we require to operate a mine at the Pebble Project, and the timing of a decision on the appeal is taking longer than anticipated and is uncertain;
- we may be unsuccessful in challenging the EPA's Final Determination under the CWA;
- our inability to ultimately obtain permitting for a mine at the Pebble Project;
- our 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;
- we may not be successful in defending shareholder securities litigation claims that have been filed against us in the U.S. and in Canada, and we may be obligated to indemnify our underwriters in addition to being subject to liabilities to the plaintiffs;
- the uncertainty of the outcome of current or future government investigations and inquiries, including but not limited to, matters before the U.S. Department of Justice, a federal grand jury in Alaska and the SEC;
- government efforts to curtail the COVID-19 pandemic may delay the Company in completion of its work relating to this permitting process;
- our ability to obtain funding for working capital and other corporate purposes associated with advancement of the Pebble Project;
- the Royalty Holder under our gold and silver production Royalty Agreement may not increase its investment;
- an inability to continue to fund exploration and development activities and other operating costs;
- our actual operating expenses may be higher than projected;
- the highly cyclical and speculative nature of the mineral resource exploration business;
- the technical uncertainties of the Pebble Project and the lack of established 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 gold, copper, molybdenum, silver and rhenium prices and share prices of mining companies;
- uncertainty related to the conflict in Ukraine;
- the impact of inflation on project costs and budgets for 2023 and beyond;
- 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 including but not limited to, the appeal of the ROD and any challenge of the EPA's Final Determination;
- the possible inability to insure our operations against all risks;
- the highly competitive nature of the mining business;
- the potential equity dilution to current shareholders from future equity financings or from the exercise of share purchase options and warrants to purchase Company's shares; and
- that we have never paid dividends and will not do so in the foreseeable future.

We refer you to Section F, "Risk Factors" under Item 5 in our AIF, Section 1.15.5 "Risk Factors" in our MD&A and the discussions of forward-looking statements in our AIF and MD&A 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. These discussions of forward-looking statements and risk factors identify factors that could cause our actual results, performance and achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements. The forward-looking statements contained in this Annual Report are made as of the date hereof and, accordingly are subject to change after such date. 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 Exchange Act, effective February 25, 2019 (the "**SEC Modernization Rules**"), with compliance required for the first fiscal year on or after January 1, 2021. The SEC Modernization Rules have replaced the historical property disclosure requirements for mining registrants that were included in SEC Industry Guide 7 ("**Guide 7**").

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 now recognizes 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 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 Exchange Act may be different from the disclosure that we would otherwise be required to provide as a 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 mineral reserves. 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. 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 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 Audited Consolidated Financial Statements incorporated by reference in this annual report may not be comparable to financial statements prepared in accordance with U.S. 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. 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 judgements 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.

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, 2022. 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, 2022.

Auditor's Attestation Report

The Company's ICFR as of December 31, 2022, has been audited by Deloitte LLP, Independent Registered Public Accounting Firm, who also audited the Company's consolidated financial statements for the year ended December 31, 2022. Deloitte LLP's attestation report on the Company's ICFR as of December 31, 2022, is included in the Company's Audited Consolidated Financial Statements incorporated herein by reference (exhibit 99.2).

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, 2022, 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 ACCOUNTANT FEES AND SERVICES

Information about aggregate fees billed to us by our principal accountant, Deloitte LLP (PCAOB ID No. 1208) is presented under "Item 19, *Audit and Risk Committee*, *Auditor Fees*, *Exemptions, Code of Ethics - Principal Accountant Fees and Services* " in our AIF and is incorporated herein by reference (Exhibit 99.1).

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, 2022, 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**	**Thereafter**
Long term debt obligations	$ –	$ –	$ –	$ –	$ –
Lease obligations [1]	802	204	318	162	118
Purchase obligations	–	–	–	–	–
Other long term liabilities	513	269	244	–	–
Total	**$ 1,315**	**$ 473**	**$ 562**	**$ 162**	**$ 118**

Notes

1. The amounts are to be paid by the Company in U.S. dollars, and represent the undiscounted lease payments to be made in respect of right-of-use assets recognized in the Audited Consolidated Financial statements. The conversion rate employed in the table was the year end rate of Cdn$1.3554 per U.S. dollar.

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, 2022, 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, 2022.

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 U.S. during the fiscal year ended December 31, 2022.

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: April 3, 2023.

NORTHERN DYNASTY MINERALS LTD.

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

EXHIBIT INDEX

Exhibit Number	Exhibit Description
99.1	Annual Information Form of the Company for the year ended December 31, 2022
99.2	Audited consolidated financial statements of the Company and notes thereto as at and for the years ended December 31, 2022, and 2021, together with the report of the Independent Registered Public Accounting Firm thereon
99.3	Management's Discussion and Analysis for the year ended December 31, 2022
99.4	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
99.5	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
99.6	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
99.7	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
99.8	Consent of Deloitte LLP, Independent Registered Public Accounting Firm
99.9	Consent of J. David Gaunt, P.Geo.
99.10	Consent of Hassan Ghaffari, P.Eng.
99.11	Consent of Stephen Hodgson, P.Eng.
99.12	Consent of James Lang, P.Geo.
99.13	Consent of Eric Titley, P.Geo.

EXHIBIT 99.1



ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2022

This annual information form ("AIF") is as of March 31, 2023



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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:

- 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 success of our appeal of the record of decision (" **ROD**") of the United States Army Corps of Engineers (the " **USACE**") denying the issuance of certain permits required for the Pebble Project, and the timing of a decision on this appeal;
- our ability to successfully obtain federal and state permits required for the Pebble Project under the Clean Water Act (" **CWA**"), the National Environmental Policy Act (" **NEPA**"), and relevant legislation;
- the outcome of the U.S. government investigations involving the Company;
- our ability to successfully challenge the U.S. Environmental Protection Agency (" **EPA**")'s Final Determination;
- our ability to successfully defend against purported class action lawsuits that have been commenced against us;
- our plan of operations, including our plans to carry out and finance exploration and development activities;
- our ability to raise capital for exploration and development activities and meet our 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 the legal proceedings in which we are engaged;
- whether any additional prepayment investments will be made in connection with our gold and silver production Royalty Agreement (as defined below under *Three Year History*) for the Pebble Project;
- the uncertainties with respect to the effects of COVID-19;
- the uncertainties related to the conflict in the Ukraine; 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:

- our appeal of the ROD with the USACE will be successful;
- 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 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 will be economically feasible based on a mine plan for which permitting can be secured;
- that we will be successful in challenging the EPA's Final Determination process under the CWA;
- that the COVID-19 outbreak will not materially impact or delay our ability to obtain permitting for a mine at the Pebble Project;
- that the market prices of copper, gold, molybdenum, rhenium 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 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:

- we may be unsuccessful in our appeal of the ROD with respect to the decision to deny the issuance of permits which we require to operate a mine at the Pebble Project, and the timing of a decision on the appeal is taking longer than anticipated and is uncertain;
- we may be unsuccessful in challenging the EPA's Final Determination under the CWA;
- our 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;
- we may not be successful in defending shareholder securities litigation claims that have been filed against us in the US and in Canada, and we may be obligated to indemnify our underwriters in addition to being subject to liabilities to the plaintiffs;
- the uncertainty of the outcome of current or future government investigations and inquiries, including but not limited to, matters before the U.S. Department of Justice, a federal grand jury in Alaska and the U.S. Securities and Exchange Commission;
- government efforts to curtail the COVID-19 pandemic may delay the Company in completion of its work relating to this permitting process;

- our ability to obtain funding for working capital and other corporate purposes associated with advancement of the Pebble Project;
- the Royalty Holder under our gold and silver production Royalty Agreement may not increase its investment;
- an inability to continue to fund exploration and development activities and other operating costs;
- our actual operating expenses may be higher than projected;
- the highly cyclical and speculative nature of the mineral resource exploration business;
- the technical uncertainties of the Pebble Project and the lack of established 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 gold, copper, molybdenum, silver and rhenium prices and the share prices of mining companies;
- uncertainty related to the conflict in Ukraine;
- the impact of inflation on project costs and budgets for 2023 and beyond;
- 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 including, but not limited to, the appeal of the ROD and any challenge of the EPA's Final Determination;
- the possible inability to insure our operations against all risks;
- the highly competitive nature of the mining business;
- 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 41 and the risk factors and related discussions in our Management Discussion and Analysis for the year ended December 31, 2022 (our "**2022 Annual MD&A**").

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.

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 as reported by the Bank of Canada for the conversion of one Canadian dollar into one United States dollar ("U.S. dollar") on December 30, 2022, being the last business day, was $1.3544.

On March 30, 2023, 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 = $1.3533. 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)			
	2022	**2021**	**2020**	**2019**
Rate at end of year	$1.3544	$1.2678	$1.2732	$1.2988
Average rate for year	$1.3011	$1.2535	$1.3415	$1.3269
High for year	$1.3856	$1.2942	$1.4496	$1.3600
Low for year	$1.2451	$1.2040	$1.2718	$1.2988

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

Month or Period	**High**	**Low**
March 2023 (to March 30, 2023)	$1.3807	$1.3533
February 2023	$1.3622	$1.3312
January 2023	$1.3658	$1.3314
December 2022	$1.3687	$1.3433
November 2022	$1.3749	$1.3288

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:

Regulatory Terms:

Term	Meaning
2020 Mine Plan	The mine plan under the updated Project Description, as described in the final environmental impact statement for the Pebble Project *see Pebble EIS below*
2023 Technical Report	The NI 43-101 technical report entitled, *2023 Technical Report on the Pebble Project, Southwest Alaska, USA* , Effective Date: February 24, 2023, by J. David Gaunt, P.Geo., James Lang, P.Geo., Eric Titley, P.Geo., Hassan Ghaffari, P.Eng., Stephen Hodgson, P.Eng.
ADEC	Alaska Department of Environmental Conservation
ADNR	Alaska Department of Natural Resources
CWA	United States Clean Water Act
CWA 404 Permit Application	The permit application filed by the Pebble Partnership with the USACE pursuant to Section 404 of the CWA
EPA	United States Environmental Protection Agency
Final Determination	The final determination of the Regional Administrator of EPA Region 10 issued on January 30, 2023
LEDPA	The "*least environmentally damaging practicable alternative*" under the CWA
NEPA	National Environmental Policy Act
Original Proposed Determination	The original proposed determination of the EPA under Section 404(c) of the CWA in respect of the Pebble Project published in July 2014
Pebble EIS	The final environmental impact statement for the Pebble Project published by the USACE on July 24, 2020
Record of Decision	The record of decision of the USACE in respect of the Pebble Project issued by the USACE on November 25, 2020
Revised Proposed Determination	The revised proposed determination of the EPA under Section 404(c) of the CWA in respect of the Pebble Project published in May 2022
USACE	United States Army Corps of Engineers

Technical Terms:

Term	Meaning
AuEQ	Gold Equivalent
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.
C1	Cash cost per unit of extracting and processing the principal metal product, copper, to a condition in which it may be delivered to customers net of gold and silver credits from concentrates sold.

Term	Meaning
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; Re – Rhenium; 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.
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.
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.
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.

Term	Meaning
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).
USGS	United States Geological Survey

Unit Abbreviations

Unit Description	Abbreviation
Billion	B
Feet	ft
Gram	g
Grams per tonne	g/t
Greater than	>
Hectare (10,000 m^2)	ha
Kilo (thousand)	k
Kilogram	kg
Kilometre	km
Less than	<
Metres	m
Microns	µm
Mile	mi
Million	M
Million tonnes	Mt
Ounce	oz
Parts per million	ppm
Percent	%
Pounds	lb
Square kilometer	km^2
Tonnes (metric - 1,000 kg)	t
Tons per day	Tpd
Tons (Imperial - 2,000 lb)	ton

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 Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") Definition Standards on mineral resources and reserves (the " **CIM Standards**") adopted by 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.

Term	Definition
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.
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 CIM.

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 (the "**SEC Modernization Rules**") with compliance required for the first fiscal year on or after January 1, 2021. The SEC Modernization Rules have replaced the historical property disclosure requirements for mining registrants that were included in SEC Industry Guide 7 ("**Guide 7**").

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 now recognizes 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.

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 whether they can be mined legally or economically. 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, 14th floor, Vancouver, British Columbia, Canada V6E 4H1, telephone (604) 684-6365, facsimile (604) 639-9209. 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 the Company and a wholly-owned subsidiary. 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 405, 2525 Gambell 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-silver-rhenium mineral project located in southwest Alaska (the "**Pebble Project**" or the "**Project**"). The Pebble Project is comprised of mineral claims that are held by subsidiaries of the Pebble Partnership, which 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 during the period prior to December 2013 relating to mine-site and infrastructure development provide background support for management's current understanding of the most likely development scenarios for the Project. However, the scenarios evaluated during that period are not considered to be current. Accordingly, the Company is uncertain as to the extent to which 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, 2022, approximately $1 billion (US$900 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, and has received consideration for the sale of a net proceeds interest royalty held on a non-core property that was carried at nominal value.

Three Year History

CWA 404 Permit Application

On December 22, 2017, the Pebble Partnership filed its 404 wetlands permit application (the " **CWA 404 Permit Application**") under the CWA with the USACE, which was "receipted" as complete by USACE on January 5, 2018 and initiated the federal Environmental Impact Statement ("**EIS**") permitting process for the Pebble Project under NEPA. The permit application included a project description (the "Project Description") that envisages the project developed as an open pit mine and processing facility with supporting infrastructure. The Pebble EIS was led by the USACE, and also involved eight federal cooperating agencies (including the EPA and US Fish & Wildlife Service), three state cooperating agencies (including the ADNR and the ADEC), the Lake & Peninsula Borough and federally recognized tribes. The EIS process for the Pebble Project required a comprehensive "alternatives assessment" be undertaken to consider a broad range of development alternatives, such that the final project design and operating parameters for the Pebble Project and associated infrastructure may vary significantly from that being advanced. As a result, the Company has continued to consider various development options and no final project design has been selected at this time.

On May 22, 2020, the USACE announced a development alternative for the Pebble Project as the 'least environmentally damaging practicable alternative' (" **LEDPA**") for the transportation corridor for the proposed Pebble mine. The LEDPA transportation corridor includes an all land-based transportation route to connect the proposed mine site to a port site on Cook Inlet via an approximate 85-mile road north of Lake Iliamna, thereby avoiding the need for ferry transport across the lake. The transportation corridor, which is referred to as the 'northern transportation corridor' and otherwise known and evaluated in the Pebble EIS as 'Alternative 3', has been extensively studied by the Pebble Partnership, and the Company believes that this transportation corridor presents several compelling benefits over the alternative lake ferry transportation corridor options. The EPA, in a letter to the USACE dated May 28, 2020, confirmed its view that the northern corridor transportation route was the least environmentally damaging practicable alternative under the EPA's guidelines.

The USACE published the final EIS for the Pebble Project (" **Pebble EIS**") on July 24, 2020. The final Pebble EIS was viewed by the Company as positive in that it found impacts to fish and wildlife would not be expected to affect harvest levels, there would be no measurable change to the commercial fishing industry including prices and there would be a number of positive socioeconomic impacts on local communities.

The Pebble EIS permitting process involved the Pebble Partnership being actively engaged with the USACE on the evaluation of the Pebble Project. There were numerous meetings between representatives of the USACE and the Pebble Partnership regarding, among other things, compensatory mitigation for the Pebble Project. The Pebble Partnership submitted several draft compensatory mitigation plans to the USACE, each refined to address comments from the USACE and that the Pebble Partnership believed were consistent with mitigation proposed and approved for other major development projects in Alaska. In late June 2020, USACE verbally identified the "significant degradation" of certain aquatic resources, with the requirement of new compensatory mitigation. The Pebble Partnership understood from these discussions that the new compensatory mitigation plan for the Pebble Project would include in-kind, in-watershed mitigation and continued its work to meet these new USACE requirements.

The USACE formally advised the Pebble Partnership by letter dated August 20, 2020 that it had made preliminary factual determinations under Section 404(b)(1) of the CWA that the Pebble Project as proposed would result in significant degradation to aquatic resources. In connection with this preliminary finding of significant degradation, the USACE formally informed the Pebble Partnership that in-kind compensatory mitigation within the Koktuli River watershed would be required to compensate for all direct and indirect impacts caused by discharges into aquatic resources at the mine site. The USACE requested the submission of a new compensatory mitigation plan to address this finding within 90 days of its letter. Based on these requirements, the Pebble Partnership continued with its efforts to develop the new compensatory mitigation plan (the "**CMP**") to align with the requirements outlined by the USACE as conveyed to the Pebble Partnership. This plan envisioned creation of a 112,445-acre Koktuli Conservation Area on land belonging to the State of Alaska in the Koktuli River watershed downstream of the Project. During the period in which this CMP was developed, the Pebble Partnership continued to confer with the USACE regarding its proposed approach to mitigation. An initial draft of the CMP was submitted to the USACE for an interim review by the USACE in September 2020. The Pebble Partnership then revised the CMP based on the input from the USACE. The objective of the preservation of the Koktuli Conservation Area was to allow the long-term protection of a large and contiguous ecosystem. If adopted, the Koktuli Conservation Area would preserve 31,026 acres of aquatic resources within the aquatic resources within the Koktuli River watershed. The protected resources were designed to address the physical, chemical, and biological functions highlighted by the EPA and US Fish & Wildlife Service. Preservation of the Koktuli Conservation Area was proposed with the objective of minimizing the threat to, and preventing the decline of, aquatic resources in the Koktuli River watershed from potential future actions, and sustaining the fish and wildlife species that depend on these aquatic resources, while protecting the subsistence lifestyle of the residents of Bristol Bay and commercial and recreational sport fisheries. The revised plan was submitted to the USACE on November 4, 2020.

On November 25, 2020, the USACE issued the ROD. The ROD rejected the compensatory mitigation plan as "noncompliant" and determined the project would cause "significant degradation" and was contrary to the public interest. Based on this finding, the USACE rejected Pebble Partnership's permit application under the Clean Water Act.

The Pebble Partnership submitted its request for appeal of the ROD (the "**RFA**") to the USACE Pacific Division on January 19, 2021. The RFA reflects the Pebble Partnership's position that the USACE's Record of Decision and permitting decision – including its "significant degradation" finding, its 'public interest review' findings, and its perfunctory rejection of the Pebble Partnership's CMP – are contrary to law, unprecedented in Alaska, and fundamentally unsupported by the administrative record, including the Pebble EIS. The specific reasons for appeal asserted by the Pebble Partnership in the RFA include (i) the finding of "significant degradation" by the USACE is contrary to law and unsupported by the record, (ii) the USACE's rejection of the compensatory mitigation plan is contrary to the USACE regulations and guidance, including the failure to provide the Pebble Partnership with an opportunity to correct the alleged deficiencies, and (iii) the determination by the USACE that the Pebble Project is not in the public interest is contrary to law and unsupported by the public record.

In a letter dated February 24, 2021, the USACE confirmed the Pebble Partnership's RFA is "complete and meets the criteria for appeal." The USACE completed the administrative record for the appeal and provided a copy to the Pebble Partnership in June 2021, following which the Pebble Partnership and its legal counsel reviewed the voluminous record for completeness and relevance to the USACE's permitting decision, and its sufficiency to support a fair, transparent and efficient review. In August 2021, the USACE also informed the Pebble Partnership that a new Review Officer ("**RO**") had been appointed to lead the Pebble Project appeal. An appeal conference was held in July 2022. The timing for the final decision on the appeal remains uncertain.

There is no assurance that the Company's appeal of the ROD will be successful or that the required permits for the Pebble Project will ultimately be issued. The permits are required in order that the Pebble Project can be developed as proposed by the Company. If the Pebble Partnership's administrative appeal of the ROD is successful, then we anticipate that the permitting decision would be remanded back to the USACE's Alaska District in order that the permitting process would then continue based on the administrative record and the findings and determinations made by the USACE Pacific Division in its appeal decision. There is no assurance that a successful appeal will ultimately result in the issuance of a positive ROD by the USACE Alaska District. If the Pebble Partnership's administrative appeal is not successful, the Company may seek judicial review of the ROD in the appropriate US District Court. There is no assurance that any judicial review would be successful in overturning an unsuccessful appellate decision.

On January 22, 2021, the State of Alaska, acting in its role as owner of the Pebble lands and subsurface mineral estate, announced that it had also filed a request for appeal. That appeal was rejected on the basis that the State did not have standing to pursue an administrative appeal with the USACE.

EPA Proposed and Final Determinations under the CWA

In February 2014, the EPA announced a pre-emptive regulatory action under Section 404(c) of the CWA to consider restriction or a prohibition of mining activities associated with the Pebble Deposit, referred to as the Original Proposed Determination. From 2014-2017, Northern Dynasty and the Pebble Partnership focused on a multi-dimensional strategy, including legal and other initiatives to ward off the Original Proposed Determination. These efforts were successful, resulting in the joint settlement agreement announced on May 12, 2017, enabling the Pebble Project to move forward with state and federal permitting. As part of the joint settlement agreement, the EPA agreed to initiate a process that led to the withdrawal of the Original Proposed Determination in July 2019.

On September 9, 2021, the EPA announced it planned to re-initiate its Revised Proposed Determination process of making a CWA Section 404(c) determination for the waters of Bristol Bay, which would set aside the 2019 withdrawal of the Original Proposed Determination that was based on a 2017 settlement agreement between the EPA and Pebble Partnership. The Company believes the results of the Pebble EIS support the 2019 withdrawal. As part of its review process, the EPA issued a letter dated January 27, 2022, to the Pebble Partnership advising as to the EPA's belief that the discharge of dredged or fill associated with mining of the Pebble Project could result in unacceptable adverse effects on important fishery areas and of its intent to issue a Revised Proposed Determination. The EPA's letter was also addressed to the USACE and the State of Alaska Department of Natural Resources. The EPA invited the Pebble Partnership, the USACE, the State of Alaska Department of Natural Resources to submit information "*to demonstrate that no unacceptable adverse effects to aquatic resources*" would result from the Pebble Project. The Pebble Partnership responded to the EPA on March 28, 2022 contesting both the factual claim by the EPA as to the impact on aquatic resources and the legal basis on which the EPA has proposed to act.

On May 25, 2022, the EPA announced that its intent to advance its pre-emptive veto of the Pebble Project and issued its Revised Proposed Determination. The Revised Proposed Determination would establish a "defined area for prohibition" coextensive with the current mine plan footprint in which the EPA would prohibit the disposal of dredged or fill material for the Pebble Project. The Revised Proposed Determination would also establish a 309-square-mile "defined area for restriction." Public comments on the Revised Proposed Determination were due on September 6, 2022. In September 2022, the Pebble Partnership submitted extensive comments on the Revised Proposed Determination, objecting to the EPA's preemptive veto of the Pebble Project. The Pebble Partnership called upon the EPA to withdraw its action and refrain from further action against the project. A compelling letter and comments by the State of Alaska and a second letter signed by a total of 14 states were also submitted to the EPA, protesting against the EPA's overreach with the Revised Proposed Determination.

On January 30, 2023, the EPA issued the Final Determination under Section 404(c) of the Clean Water Act, imposing limitations on the use of certain waters in the Bristol Bay watershed as disposal sites for certain discharges of dredged or fill material associated with development of a mine at the Pebble deposit. The Final Determination is the concluding step in the administrative process set forth in 40 C.F.R. Part 231, which governs EPA's authority under Section 404(c) to veto permit decisions. The Administrative Procedure Act ("APA"), 5 USC §551 et seq., which governs judicial review of agency decisions, provides that individuals aggrieved by agency action may seek judicial review of any "final agency action." The EPA's administrative determination can be challenged by filing a lawsuit in U.S. federal district court seeking reversal of that decision.

The Final Determination includes the determinations of the EPA that:

- the discharges of dredged or fill material for the construction and routine operation of the mine identified in the 2020 Mine Plan at the Pebble deposit will have unacceptable adverse effects on anadromous fishery areas in the South Fork Koktuli River ("SFK") and North Fork Koktuli River ("NFK") watersheds;

- discharges of dredged or fill material associated with developing the Pebble deposit anywhere in the mine site area within the SFK and NFK watersheds that would result in the same or greater levels of loss or streamflow changes as the 2020 Mine Plan also will have unacceptable adverse effects on anadromous fishery areas in these watersheds, because such discharges would involve the same aquatic resources characterized as part of the evaluation of the 2020 Mine Plan; and

- discharges of dredged or fill material for the construction and routine operation of a mine at the Pebble deposit anywhere in the SFK, NFK, and Upper Talarik Creek ("UTC") watersheds will have unacceptable adverse effects on anadromous fishery areas if the effects of such discharges are similar or greater in nature and magnitude to the adverse effects of the 2020 Mine Plan.

Based on these determinations, the Final Determination:

- prohibits the specification of waters of the United States within the Defined Area of Prohibition, as defined in the Final Determination, as disposal sites for the discharge of dredged or fill material for the construction and routine operation of the 2020 Mine Plan. This includes future proposals to construct and operate a mine to develop the Pebble deposit that result in any of the same aquatic resource loss or streamflow changes as the 2020 Mine Plan. Moreover, dredged or fill material need not originate within the boundary of the Pebble deposit to be associated with the developing the Pebble deposit and, thus, subject to the prohibition. For purposes of the prohibition, the "2020 Mine Plan" is (i) the mine plan described in the Pebble Partnership's June 8, 2020 CWA Section 404 permit application and the Pebble EIS; and (ii) future proposals to construct and operate a mine to develop the Pebble deposit with discharges of dredged or fill material into waters of the United States within the Defined Area for Prohibition that would result in the same or greater levels of loss or streamflow changes as the mine plan described in the Pebble Partnership's June 8, 2020 CWA Section 404 permit application. The Defined Area for Prohibition covers approximately 24.7 square miles (63.9 km^2) and includes the area covered by the mine footprint of the 2020 Mine Plan; and

- restricts the use of waters of the United States within the Defined Area for Restriction, as defined in the Final Determination, for specification as disposal sites for the discharge of dredged or fill material associated with future proposals to construct and operate a mine to develop the Pebble deposit that would either individually or cumulatively result in adverse effects similar or greater in nature and magnitude to the adverse effects of the 2020 Mine Plan. The Defined Area for Restriction encompasses certain headwaters for the SFK, NFK and UTC watersheds and covers an area of approximately 309 square miles (800 km^2).

The Company and Pebble Partnership plans to seek judicial review of the Final Determination in an appropriate United States federal district court. The Company anticipates that the Pebble Partnership will continue to assert the following arguments, among others, in any judicial proceedings:

- the EPA's Final Determination is premature and not authorized by the Clean Water Act and, accordingly, is contrary to law and precedent;

- the EPA erred when it did not exhaust the Section 404(q) elevation procedures prior to initiating its Section 404(c) procedures as the EPA's authority under Section 404(c) is narrowly prescribed by the CWA and is only to be used as a last resort;

- the EPA's decision to restrict development of 309-square-miles of land is legally and technically unsupportable;

- the EPA has not demonstrated that the development of the Pebble deposit will have unacceptable adverse effects under Section 404(c);

- the EPA has not demonstrated any impacts to Bristol Bay fisheries that would justify the extreme measures in the Final Determination and, further, the Final Determination contradicts the conclusion in the Pebble EIS that the Pebble Project was "not expected to have a measurable impact on fish populations";
- the EPA's Final Determination violates the rights of the State of Alaska established under the Alaska Statehood Act, and related laws, and would undermine the State's legally protected interests in the development of lands it acquired and intended for mineral development; and
- the EPA must consider the benefits of the Pebble Project in light of the critical need for minerals essential to the renewable energy transition, as well as the environmental and social costs that would result from not developing the Project.

There is no assurance that any judicial review would be successful in overturning the Final Determination or that the Pebble Partnership's appeal of the ROD will be successful. If not withdrawn or overturned, the Final Determination would prevent the Company from developing the Pebble deposit as set out in the 2020 Mine Plan or in any other mine plan that the EPA would consider as resulting in "adverse effects similar or greater in nature and magnitude to the adverse effects of the 2020 Mine Plan."

The Pebble Partnership would likely not be alone in challenging the EPA's Final Determination, as Alaska Governor Mike Dunleavy has publicly indicated that the State will pursue legal action against the EPA to challenge the Final Determination as indicated in a January 31, 2023 news release. Excerpts include: "EPA's veto sets a dangerous precedent. Alarmingly, it lays the foundation to stop any development project, mining or non-mining, in any area of Alaska with wetlands and fish bearing streams," said Alaska Governor Mike Dunleavy. "…The veto disregards the Alaska Statehood Act, violates the Clean Water Act, and departs from basic scientific methodology. Of particular concern is EPA's failure to demonstrate why the Army Corps of Engineers was wrong when it reviewed the same scientific data but arrived at the opposite conclusion-that the proposed mine plan "would not be expected to have a measurable effect on fish numbers or result in long-term changes to the health of the commercial fisheries in Bristol Bay."[1]

On December 22, 2022, the Conservation Fund and Bristol Bay Heritage Land Trust [2] announced three conservation easements over 44,000 acres in Southwest Alaska. The land, owned by the Pedro Bay Corp., is located off the northeastern shores of Lake Iliamna, in an area where an access road from Cook Inlet to the Pebble mineral deposit had been proposed. This 'northern transportation route' or 'Alternative 3', is one of several proposed access roads that were reviewed during the Pebble EIS and was identified as the LEDPA during that process. The Pebble Partnership is evaluating the impact of this action.

Much of the work by the Company through the Pebble Partnership from 2017 to 2022 has focused on facilitating and providing support to the federal EIS permitting process and subsequent appeal. The Company has also continued to actively engage and consult with project stakeholders to share information and gather feedback on the Pebble Project, its potential effects and proposed mitigation. In 2018, 2019 and 2020, right-of-way agreements were secured with Alaska Native village corporations and other landowners whose lands cover portions of several proposed transportation and infrastructure routes for the Pebble Project. Opportunities for additional community benefits from development of the project have also been explored, including the Pebble Performance Dividend revenue sharing program for full-time adult residents of Bristol Bay communities, and a Memorandum of Understanding with Alaska Peninsula Corporation announced in July 2020. An active corporate presence is maintained in Alaska and also Washington, D.C., to engage and consult with other project stakeholders. The Company conducts annual monitoring and maintenance programs at the Pebble site.

[1] https://gov.alaska.gov/epas-preemptive-veto-sets-dangerous-precedent/

[2] www.adn.com/business-economy/2022/12/27/in-barrier-to-pebble-mine-alaska-native-corporation-and-groups-set-aside-land-for-conservation/

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In September 2021, the Company announced the results of a Preliminary Economic Assessment of the Pebble Project, effective date September 9, 2021 (" **2021 PEA**"). In October 2022, the Company announced the results of an update to the 2021 PEA, effective date October 1, 2022 ("**2022 PEA**"), which include consideration of a royalty agreement (see the Company's July 27, 2022 news release and 2022 Annual MDA for further information) and updates on the appeal of the ROD and the Revised Proposed Determination. Consequent to more recent events, the Company does not consider either the 2021 PEA or the 2022 PEA to be current, as discussed below.

The Company has updated its technical disclosure on the Pebble Project filing the 2023 Technical Report on SEDAR. The 2023 Technical Report reflects recent events material to the Pebble Project, including the Final Determination. Information derived from the 2023 Technical Report is summarized below under "Item 5.B – Description of Business – Technical Summary". The 2023 Technical Report supersedes the Preliminary Economic Assessment Technical Report, effective date October 1, 2022 (the "2022 PEA"), which superseded the Preliminary Economic Assessment Technical Report, effective date September 9, 2021 (the "2021 PEA"), each of which has been filed on SEDAR and is no longer considered to be current. Accordingly, investors should not regard the results of the 2021 PEA or 2022 PEA as current or rely on these results.

Corporate Activities and Financing

Corporate activities were directed toward corporate reporting, investor relations and discussions directed toward securing a partner with which to advance the overall development of the project. Northern Dynasty has completed the following financings and/or raised funds within the past three years in order to fund its business operations:

- in January 2020, 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, completed in December 2019); and
  - a non-brokered private placement of 13,688,823 common shares of the Company at a price of US$0.37 per common share for gross proceeds of approximately US$5.1 million ($6.7 million, completed in January 2020).
- in May 2020, the Company completed:
  - an underwritten public offering of 14,375,000 common shares at a price of $0.70 per common share for gross proceeds of approximately $10.1 million; and
  - a non-brokered private placement of 10,357,143 common shares of the Company at a price of $0.70 per common share for gross proceeds of approximately $7.3 million.
- in July and August 2020, the Company completed:
  - an underwritten public offering of 24,150,000 common shares at a price of US$1.46 per common share for gross proceeds of approximately US$35.3 million ($47.6 million, completed in August 2020); and
  - a non-brokered private placement of 5,807,534 common shares of the Company at a price of US$1.46 per common share for gross proceeds of approximately US$8.6 million ($11.7 million, completed in two tranches in July and August 2020).
- in June 2021, the Company entered into an "At-the-Market Offering Agreement" (the "ATM Agreement") with H.C. Wainwright & Co. (the "Agent") to sell through the Agent, as sales agent, at the Company's discretion and from time-to-time during the term of the ATM Agreement, shares of the Company directly on the NYSE American or on any other existing trading market in the U.S., up to an aggregate gross sales price of up to US$14.5 million (the "ATM Facility"). The Company to date has only sold shares for an aggregate gross sales price of US$0.7 million under the ATM Facility however, the ATM Facility is not available as of the date of this AIF due to the lapse of the Company's 2020 base shelf prospectus.
- in July 2022, the Company announced that the Pebble Partnership, together with certain of its wholly-owned subsidiaries, had entered into an agreement (the "Royalty Agreement") with an investor (the "Royalty Holder") to receive up to US$60 million over the next two years, in return for the right to receive a portion of the future gold and silver production from the Pebble Project for the life of the mine. The Company received an initial non-refundable payment of US$12 million from the Royalty Holder concurrently with execution of the Royalty Agreement, and granted the option to the Royalty Holder to increase its investment to US$60 million, in aggregate. The Company retained the right to 100% of the copper production from the Pebble Project.

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, and generally all aspects of exploration, development and operation 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 cover 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 determines whether sufficient evaluation of the project's environmental effects and development alternatives has been undertaken. It also provides 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 material at the disposal site 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 based on the document entitled, *2023 Technical Report on the Pebble Project, Southwest Alaska, USA* , Effective Date: February 24, 2023, by J. David Gaunt, P.Geo., James Lang, P.Geo., Eric Titley, P.Geo., Hassan Ghaffari, P.Eng., Stephen Hodgson, P.Eng., and has been updated by Company staff. J. David Gaunt, P.Geo., James Lang, P.Geo., Eric Titley, P.Geo., Hassan Ghaffari, P.Eng., and Stephen Hodgson, P.Eng., are the qualified persons for the 2023 Technical Report and have reviewed and approved the content derived from that report. All qualified persons, other than Hassan Ghaffari, 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.

Comprehensive deposit delineation, environmental, socioeconomic and engineering studies of the Pebble deposit began in 2004 and continued through 2013. As described in previous technical reports, the estimates indicate that the Pebble deposit contains significant amounts of copper, gold, molybdenum, silver, and rhenium.

Northern Dynasty completed a Preliminary Assessment (now known as a *Preliminary Economic Assessment* or *PEA*) on the Pebble Project in February 2011 ("**2011 PEA**"). After considering stakeholder feedback, 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 incorporated these and other improvements into a new proposed development concept for the Pebble Project. The Pebble Partnership submitted an application for a CWA 404 permit in December 2017 for the Pebble Project on the basis of a substantially smaller mine facility footprint and other revisions than what was envisaged in the 2011 PEA. As a result, the economic analysis included in the 2011 PEA was considered by Northern Dynasty to be out of date such that it can no longer be relied upon and the Project no longer considered an advanced property for the purposes of NI 43-101.

In December 2017, Pebble Partnership filed an application for permits under the CWA and RHA, triggering the requirement for an EIS under NEPA. The EIS was prepared by the USACE with the final Pebble EIS published in July 2020. The Project Description required under NEPA was updated during the EIS process. The final version of the Project Description (2020 Mine Plan) was submitted with the Revised Project Application in June 2020 is attached to the Pebble EIS. In November 2020, USACE issued its ROD denying Pebble Partnership's application. Pebble Partnership submitted a RFA, which was accepted by USACE in February 2021 and the request is currently under adjudication. Even if the appeal is successful, there is no assurance that a positive ROD will ultimately be obtained by the Pebble Partnership or that the required environmental permit for the Proposed Project will be obtained. In September 2020, Northern Dynasty published a Technical Report on the Project. The purpose of that report was to document recent studies of the occurrence of rhenium and to estimate the rhenium mineral resources in the deposit. Previous work also determined palladium is present, at least in parts of the deposit; however, insufficient analyses have been completed to date to undertake a resource estimate for that metal. The report also updated the proposed plan for the Project as documented in the Pebble EIS. In March 2021, Northern Dynasty published a Technical Report that updated the status of the Appeal of the ROD. Information on closure was added to the Project Description and Permitting Section.

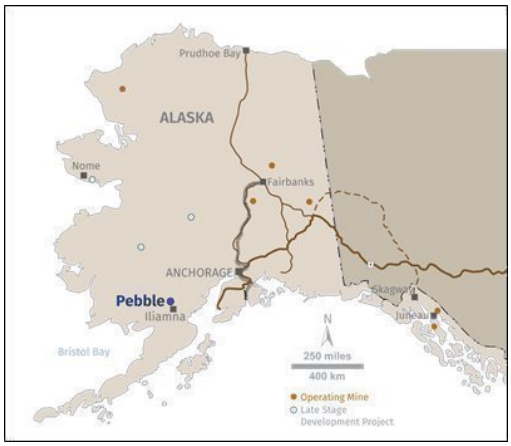
In September 2021, Northern Dynasty published the results of the 2021 PEA to present the projected economics of the production plan and a corresponding project configuration which aligns with the June 2020 Revised Project Application. In July 2022, Northern Dynasty announced the purchase of a royalty for the Pebble Project, giving the Royalty Holder the right to a portion of the gold and silver production from the mine. Northern Dynasty updated the 2021 PEA to assess the impact of the royalty on the Project, provide an update on the status of project permitting and disclose a change in the claim holdings for the Project in the 2022 PEA. Consequent to more recent events (EPA's Final Determination and the conservation easement, further described in *Three Year History*), the Company does not consider either 2021 PEA or 2022 PEA to be current.

The purpose of the 2023 Technical Report is to update the current status of the Pebble Project.

Property Description, Location and Access

Location and Access

The Pebble deposit is located in southwest Alaska, approximately 200 miles southwest of Anchorage, 17 miles northwest of the village of Iliamna, 100 miles northeast of Bristol Bay.



Source: 2023 Technical Report

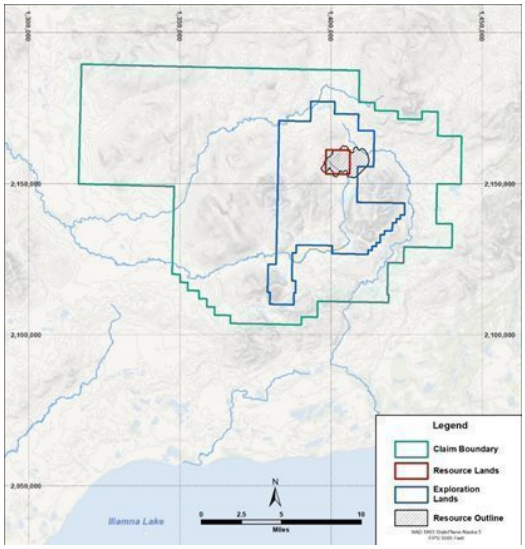
Northern Dynasty holds indirectly through Pebble East Claims Corporation and Pebble West Claims Corporation, wholly-owned subsidiaries of the wholly-owned Pebble Partnership, a 100% interest in a contiguous block of 1,840 administratively active mining claims[3] and leasehold locations covering approximately 274 mi ^{2} (which includes the Pebble deposit). The claim boundaries have not been surveyed.

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 mi ^{2}) mineral claim, and by paying annual escalating State rental fees each year. Assessment work is due annually by noon of September 1. However, credit for excess assessment work can be banked for a maximum of four years after work is performed and can be applied as necessary to continue to hold the claims in good standing. The Project claims have a variable amount of assessment work credit available that can be applied in this way. Annual assessment work obligations for the Project total US$442,900 and are due each year on September 1. Annual State rentals for 2023 are approximately US$912,880 and are payable no later than 90 days after the assessment work is due (approximately November 30, 2023).

[3] The Company reduced its claims holdings in November 2021.

Northern Dynasty Minerals Ltd.

Teck Resources Limited ("**Teck**") holds a 4% pre-payback net profits interest (after debt service), followed by a 5% after-payback net profits interest in any mine production from the Exploration Lands, which are shown in the figure below.



Source: 2023 Technical Report

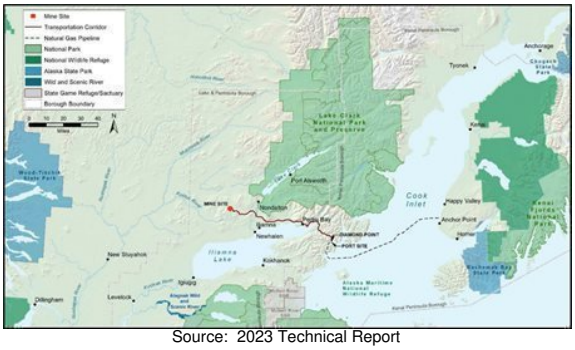
In June 2020, the Pebble Partnership established the Pebble Performance Dividend LLP to distribute a 3% net profits royalty interest in the Pebble Project to adult residents of Bristol Bay villages that have subscribed as participants. The Pebble Performance Dividend will distribute a guaranteed minimum annual payment of US$3 million each year the Pebble mine operates, beginning at the outset of Project construction.

Northern Dynasty currently does not own any 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.

The access corridor is owned by a number of landowners, including the State of Alaska, Alaska Native Village Corporations, and private individuals. Pebble Partnership has completed access agreements with two Native Village Corporations and a private individual. Negotiations have advanced with other Native Village Corporations and individuals, but no agreements are in place. In June 2021, one of the Native Village Corporations announced they had signed an agreement whereby a fund has obtained an option to buy portions of their land to create a conservation easement. In December 22, 2022, the Conservation Fund and Bristol Bay Heritage Land Trust announced three conservation easements over 44,000 acres in Southwest Alaska. The land, owned by the Pedro Bay Corp., is located off the northeastern shores of Lake Iliamna, in an area where an access road from Cook Inlet to the Pebble mineral deposit had been proposed. This ‘northern transportation route’ or ‘Alternative 3’, is one of several proposed access roads that were reviewed during the Pebble EIS process and was identified as the LEDPA.

Permits necessary for exploration drilling and other field programs associated with pre-development assessment of the Pebble Project are applied for as required each year. Additional information on permitting is provided in *Environment and Permitting* below. Of note is the ROD by USACE to deny the Pebble Partnership’s CWA 404 permit application is currently under appeal and the Final Determination by the EPA that can be challenged under a judicial review, described in *Three Year History*.

The map below shows a proposed infrastructure corridor for the Project, as further described as the LEDPA in the Pebble EIS.



Source: 2023 Technical Report

History

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. Teck staked their first mineral claims on the Property during reconnaissance mapping and sampling programs in the Cone and Sharp Mountain areas in August and September 1984. In November 1987, Teck staked claims on the newly-discovered Sill and Pebble prospects and added claims to these two areas in July 1988. This staking, along with additional claims added in the 1990s, led to the formation of a large continuous claim group. Teck completed a two-part purchase option with Hunter Dickinson Group Inc. ("**HDGI**"), which in turn assigned 80% of that option to Northern Dynasty in October 2001.

The first part of the option agreement covered that portion of the property which had previously been drilled and on which the majority of the then known copper mineralization occurred (the Resource Lands Option) and the remaining area outside the Resource Lands (the "**Exploration Lands**"). In November 2004, Northern Dynasty exercised the Resource Lands Option and acquired 80% of the Resource Lands. In February 2005, Teck elected to sell its residual 50% interest in the Exploration Lands to Northern Dynasty for US$4 million. Teck still retains a 4% pre-payback advance net profits royalty interest (after debt service) and 5% after-payback net profits interest royalty in any mine production from the Exploration Lands portion of the Pebble property.

In June 2006, Northern Dynasty acquired, through its Alaska subsidiaries, the remaining HDGI 20% interest in the Resource Lands and Exploration Lands by acquiring HDGI from its shareholders and through its various subsidiaries had thereby acquired an aggregate 100% interest in the Pebble Property, subject only to the Teck net-profits royalties on the Exploration Lands.

In July 2007, the Pebble Partnership was created and an indirectly wholly-owned subsidiary of Anglo American plc (" **Anglo American**") subscribed for 50% of the Pebble Partnership's equity effective July 31, 2007. In December 2013, Northern Dynasty exercised its right to acquire Anglo American's interest in the Pebble Partnership and now holds a 100% interest in the Pebble Partnership.

On June 29, 2010, Northern Dynasty entered into an agreement with Liberty Star Uranium and Metals Corp. and its subsidiary, Big Chunk Corp. (together, " **Liberty Star**"), pursuant to which Liberty Star sold 23.8 mi^2 of claims (the 95 Purchased Claims) to a U.S. subsidiary of Northern Dynasty in consideration for both a $1 million cash payment and a secured convertible loan from Northern Dynasty in the amount of $3 million. Northern Dynasty later agreed to accept transfer of 199 claims (the "**Settlement Claims**") located north of the ground

held 100% by the Pebble Partnership in settlement of the loan, and subsequently both the Purchased Claims and the Settlement Claims were transferred to a Northern Dynasty subsidiary and ultimately to Pebble West Claims Corporation, a subsidiary of the Pebble Partnership.

On January 31, 2012, the Pebble Partnership entered into a Limited Liability Company Agreement with Full Metal Minerals (USA) Inc. (“ **FMMUSA**”), a wholly-owned subsidiary of Full

Metal Minerals Corp., to form Kaskanak Copper LLC. On May 8, 2013, the Pebble Partnership purchased FMMUSA's entire ownership interest in the LLC for a cash consideration of $750,000. As a result, the Pebble Partnership gained a 100% ownership interest in the LLC, the indirect owner of a 100% interest in a group of 464 claims located south and west of other ground held by the Pebble Partnership. In 2014 the LLC was merged into Pebble East Claims Corporation, a subsidiary of the Pebble Partnership, which now holds title to these claims.

On December 15, 2017, Northern Dynasty entered into a Framework Agreement with First Quantum Minerals Ltd., which made an early option payment of US$37.5 million to Northern Dynasty, applied solely for the purposes of progressing the permitting of the Proposed Project but withdrew from the Project in 2018.

Geological Setting, Mineralization and Deposit Types

Pebble is a porphyry-style copper-gold-molybdenum-silver-rhenium deposit that comprises the Pebble East and Pebble West zones of approximately equal size, with slightly lower-grade mineralization in the center of the deposit where the two zones merge. The Pebble deposit is located at the intersection of crustal-scale structures that are oriented both parallel and obliquely to a magmatic arc which was active in the mid-Cretaceous and which developed in response to the northward subduction of the Pacific Plate beneath the Wrangellia Superterrane.

The oldest rock within the Pebble district is the Jurassic-Cretaceous age Kahiltna flysch, composed of turbiditic clastic sedimentary rocks, interbedded basalt flows and associated gabbro intrusions. During the mid-Cretaceous (99 to 96 Ma), the Kahiltna assemblage was intruded first by approximately coeval granodiorite and diorite sills and slightly later by alkalic monzonite intrusions. At approximately 90 Ma, hornblende diorite porphyry plutons of the Kaskanak batholith were emplaced. Copper-gold-molybdenum-silver-rhenium mineralization is related to smaller granodiorite plutons and dykes that are similar in composition to, and emplaced near and above the margins of, the Kaskanak batholith.

The Pebble East and Pebble West zones are coeval hydrothermal centers within a single magmatic-hydrothermal system. The movement of mineralizing fluids was constrained by a broadly vertical fracture system acting in conjunction with a hornfels aquitard that induced extensive lateral fluid migration. The large size of the deposit, as well as variations in metal grade and ratios, may be the result of multiple stages of metal introduction and redistribution.

Mineralization in the Pebble West zone extends from surface to approximately 3,000 ft deep and is centered on four small granodiorite plutons. Mineralization is hosted by flysch, diorite and granodiorite sills, and alkalic intrusions and breccias. The Pebble East zone is of higher grade and extends to a depth of at least 5,810 ft; mineralization on the eastern side of the zone was later dropped 1,970 to 2,950 ft by normal faults which bound the northeast-trending East Graben. The Pebble East zone mineralization is hosted by granodiorite plutons and dykes, and by adjacent granodiorite sills and flysch. The Pebble East and West zone granodiorite plutons merge at depth.

Mineralization at Pebble is predominantly hypogene, although the Pebble West zone contains a thin zone of variably developed supergene mineralization overlain by a thin leached cap. Disseminated and vein-hosted copper-gold-molybdenum-silver-rhenium 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 portions of the Pebble East zone. Rhenium occurs in molybdenite and high rhenium concentrations are present in molybdenite concentrates. Elevated palladium concentrations occur in many parts of the deposit but are highest in rocks affected by advanced argillic alteration. High-grade copper-gold mineralization also is associated with younger advanced argillic alteration that overprinted potassic and sodic-potassic alteration and was controlled by a syn-hydrothermal, brittle-ductile fault zone located near the eastern margin of the Pebble East zone. Late quartz veins introduced additional molybdenum into several parts of 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.

Geochemical surveys were completed between 2001 and 2012. Between 2001 and 2003, Northern Dynasty collected 1,026 soil samples (Rebagliati and Lang, 2009). Samples were more widely spaced near the north, west and southwest margins of the grid. Three very limited surficial geochemical surveys were completed by the Pebble Partnership in 2010 and 2011; no significant geochemical anomalies were identified. A total of 126 samples, comprising 113 till and 13 soil samples, were collected on the KAS claims located in the southern end of the property; samples were on lines spaced approximately 8,000 ft apart with a sample spacing of approximately 1,300 ft. Additional surveys were completed between 2007 and 2012 by researchers from the USGS and the University of Alaska Anchorage. The results of these surveys were largely consistent with the results obtained by earlier soil sampling programs.

Drilling, Sampling and Data Verification

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.

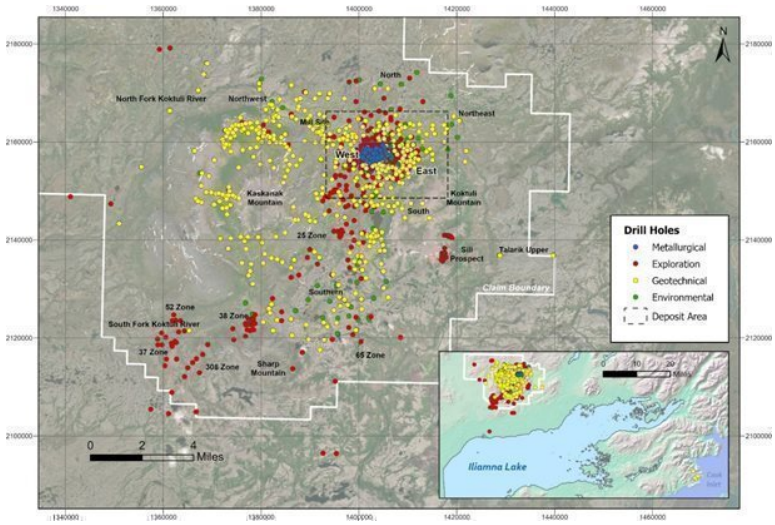
Northern Dynasty with its partners completed drilling for exploration, deposit delineation, engineering and environmental purposes between 2002 and 2019. Highlights from exploration and deposit delineation drilling include:

- 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.

[4] Holes drilled at Cook Inlet shown in the inset map below were geotechnical holes to assess potential infrastructure at that site.

Drill hole locations[4] and type of drill holes are shown in the figure below.



Source: 2023 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.

Northern Dynasty Minerals Ltd.

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

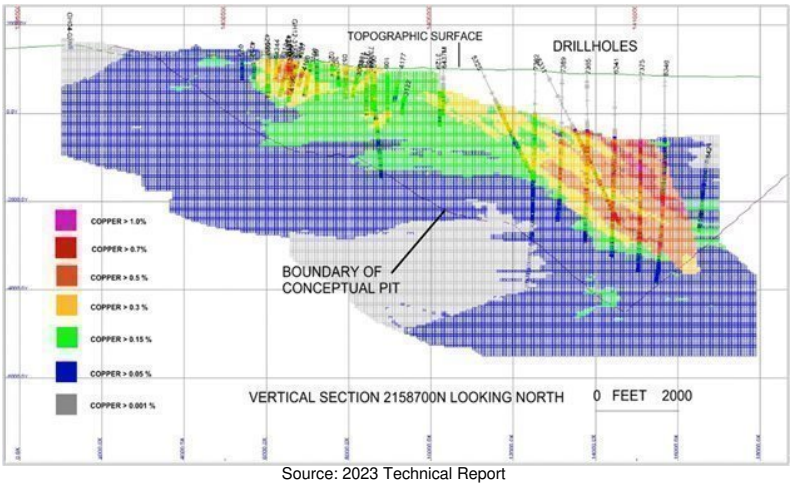
Source: 2023 Technical Report

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.

The following is vertical Section through the Pebble deposit, showing block and composite copper grades; Section Line 2158700N:



Source: 2023 Technical Report

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

Source: 2023 Technical Report

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 Surrey, BC.

Metallurgical Testing and Mineral Processing

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 and sulphide alteration mineralogy.

Metallurgical testwork and associated analytical procedures were performed by recognized testing facilities with extensive experience with this analysis, 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 at the Pebble deposit.

A conventional flotation process is proposed to produce copper concentrate and molybdenum concentrate. The flotation test results on variability samples derived from the 103 locked cycle flotation and the subsequent copper-molybdenum separation flotation tests indicate that marketable copper and molybdenum concentrates can be produced. The copper

concentrate will also contain gold and silver contents that meet or exceed payable levels in representative smelter contracts; the molybdenum concentrate will contain significant rhenium (Re), with a reported grade range from 791 to 832 g/t Re observed in the locked cycle test (LCT) results of the copper-molybdenum separation.

A preliminary hydrometallurgical test program was performed on rougher and cleaner molybdenum concentrates to investigate the production of the marketable products of molybdenum trioxide (MoO_3) and ammonium perrhenate (NH_4ReO_4). The test program included pressure oxidation leach, a series of metal extractions/purifications from the pregnant leach solution, and a calcination process. The tested methods were found technically feasible. Satisfactory dissolution rates of molybdenum and rhenium were obtained from the rougher molybdenum concentrate samples, while additional alkaline leach is required on the pressure oxidation leach residues for the cleaner molybdenum concentrate samples.

In this technical report, the metal recovery projections of copper, gold, silver and molybdenum stay the same as those published in the 2018 and 2020 technical reports. A rhenium recovery estimate at a high level has been completed and included. Table 3 provides projected metals recoveries via flotation concentration for metals and a gravity circuit for gold. The recovery estimate bases are summarized as follows:

- The initial metal recovery projections of copper, gold, silver and molybdenum were published in 2014 based on a combined flotation and cyanide leach method. A total of 111 locked cycle tests on the 103 samples representing eight geometallurgical domains across the east and west of Pebble deposit were reviewed to establish the copper, gold and molybdenum distributions to the bulk copper-molybdenum concentrate. Ten of the 111 locked cycle flotation tests with silver assay results were utilized to estimate the silver recovery to the bulk flotation concentrate.

- The 2018 metal recoveries were updated to reflect the changes of the proposed processing methods, including the exclusion of the cyanide leach process and the implementation of a finer primary grind particle size. The flotation tests on composite samples indicate a general increase of metal recoveries with a decreasing primary grind size.

· The 2020 metal recovery projections were further updated to include the rhenium recovery to the molybdenum concentrate. The estimated rhenium recovery was 70.8%, based on the 10 LCT results of the rhenium recovery to the bulk concentrate, a one LCT stage recovery result in the subsequent separation of copper and molybdenum, as well as a recovery adjustment due to the reduction of primary grind size.

Table 3 Projected Metallurgical Recoveries

Domain	Flotation Recovery %				
	Cu Con, 26% Cu			Mo Con, 50% Mo	
	Cu	Au	Ag	Mo	Re
Supergene:					
Sodic Potassic	78.7	63.6	67.5	53.9	70.8
Illite Pyrite	72.1	46.5	67.8	66.3	70.8
Hypogene:					
Illite Pyrite	89.8	45.6	66.6	76.1	70.8
Sodic Potassic	90.1	63.2	67.0	80.1	70.8
Potassic	93.7	63.6	66.5	85.4	70.8
Quartz Pyrophyllite	94.7	65.2	64.4	80.4	70.8
Sericite	89.6	40.6	66.5	75.9	70.8
Quartz Sericite Pyrite	89.8	32.9	66.9	86.1	70.8

Source: 2023 Technical Report

Rhenium Recovery Estimate

Copper-molybdenum porphyry deposits are the world's primary source of rhenium (SME, 2018). The metallurgical test work from 2011 to 2013 on Pebble deposit indicates that significant rhenium can be recovered to the bulk Cu-Mo flotation concentrate and further concentrated into the final molybdenum flotation concentrate. The overall rhenium recovery is determined by the rhenium recovery to the bulk copper-molybdenum concentrate and the separation efficiency of the rhenium into the molybdenum concentrate in the subsequent copper-molybdenum separation stage. The estimated rhenium recovery is about 70.8% on average for all the domains based on the following considerations:

· The available rhenium distributions to the bulk copper/molybdenum concentrates are based on the 10 of the 111 LCT tests on variability samples. The average recovery was calculated as 73.4% representing five of the eight geometallurgical domains.

· The application of a similar separation efficiency of molybdenum as of 92.7% in the copper-molybdenum separation to estimate the rhenium stage recovery, considering the significant linear relationship between the molybdenum and rhenium bulk and circuit recovery test data.

· The adjustment of the overall rhenium recovery by applying a similar factor for an average recovery increase of 0.5% per 10 µm reduction of primary grind size.

Mineral Resource Estimates

The current resource estimate is based on approximately 59,000 assays obtained from 699 drill holes. The resource was estimated by ordinary kriging and is tabulated below. The tabulation is based on copper equivalency ("**CuEq**") that incorporates the contribution of copper, gold and molybdenum. Although the estimate includes silver and rhenium, neither were used as part of the copper equivalency calculation in order to facilitate comparison with previous estimates which did not consider the lesser economic contribution of either of these metals. The highlighted 0.3% CuEq cut off is considered appropriate for deposits of this type in the Americas.

Table 4 Pebble Resource Estimate

Classification	Tonnes	CuEQ%	Cu %	Au g/t	Ag g/t	Mo ppm	Re ppm	Cu Recovered B lbs	Au Recovered M oz	Ag Recovered M oz	Mo Recovered B lbs	Re Recovered Kg	Cu Contained B lbs	Au Contained M oz	Ag Contained M oz	Mo Contained B lbs	Re Contained Kg
Measured	527,000,000	0.65	0.33	0.35	1.7	178	0.32	3.35	4.58	20.4	0.15	118,000	3.87	5.94	28.2	0.21	166,000
Indicated	5,929,000,000	0.77	0.41	0.34	1.7	246	0.41	49.64	49.24	228.9	2.62	1,731,000	53.38	63.90	315.2	3.21	2,445,000
Measured + Indicated	6,456,000,000	0.76	0.40	0.34	1.7	240	0.40	52.99	53.82	249.3	2.78	1,849,000	57.24	69.84	343.4	3.42	2,611,000
Inferred	4,454,000,000	0.55	0.25	0.25	1.2	226	0.36	22.66	28.11	121.7	1.81	1,025,000	24.47	36.40	166.8	2.22	1,448,000

Notes:

David Gaunt, P.Geo., a qualified person as defined under 43-101 who is not independent of Northern Dynasty, is responsible for the estimate. The effective date is August 2020.

Copper equivalent (CuEQ) calculations use metal prices: US$1.85/lb for Cu, US$902/oz for Au and US$12.50/lb for Mo, and recoveries: 85% Cu, 69.6% Au, and 77.8% Mo (Pebble West zone) and 89.3% Cu, 76.8% Au, 83.7% Mo (Pebble East zone).

Recovered metal based on recoveries in Table 3. Contained metal calculations are based on 100% recoveries.

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

The mineral resource estimate is constrained by a conceptual pit shell that was developed using a Lerchs-Grossman algorithm and is based in the following parameters: 42 degree pit slope; metal prices and recoveries of US$1,540.00/oz and 61% Au, US$3.63/lb and 91% Cu, US$20.00/oz and 67% Ag and US$12.36/lb and 81% Mo, respectively; a mining cost of US$1.01/ton with a US$0.03/ton/bench increment and other costs (including processing, G&A and transport) of US$6.74/ton.

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.

The terms “Measured Resources”, “Indicated Resources” and “Inferred Resources” are recognized and required by Canadian regulations under 43-101. 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, that adopt 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 economic and legal feasibility. 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.

The mineral resource estimates contained herein have not been adjusted for any risk that the required environmental permits may not be obtained for the Pebble Project. The risk associated with the ability of the Pebble Project to obtain required environmental permits is a risk to the reasonable prospects for eventual economic extraction of the mineralisation and their definition as a mineral resource.

Project Description

On December 22, 2017, the Pebble Partnership submitted its CWA 404 permit application in which it is envisaged that the Pebble copper-gold-molybdenum porphyry deposit would be developed as an open pit mine, with associated on and off-site infrastructure. Over the course of past two years, additional engineering work completed to support the environmental assessment process, as well as recommendations from USACE in the FEIS, has resulted in some modifications to the plan and the Project Description has been updated accordingly. Project infrastructure includes:

- a 270 megawatt power plant located at the mine site;
- a natural gas pipeline connecting existing supply on the Kenai Peninsula to the power plant at the mine site;
- a transportation corridor from the mine site to a port site located on Cook Inlet consisting of:
- a private two-lane unpaved road that connects to the existing Iliamna/Newhalen road system; and
- the onland portion of the natural gas pipeline buried adjacent to the road.
- a port facility incorporating:
- concentrate, storage and handling;
- fuel and supply storage;
- local power supply; and
- barge docks for supplies and to facilitate bulk lightering of concentrate between the Diamond Point Port and an offshore lightering location in Iniskin Bay for loading onto bulk carriers.

Following four years of construction activity, the proposed Pebble mine will operate for a period of 20 years using conventional drill-blast-shovel operations. The mining rate will average 70 million tons per year, with 66 million tons of mineralized material processed through the mill each year (180,000 tons per day), for an extremely low life-of-mine waste to mineralized material ratio of 0.12:1.

The development proposed in Pebble's Project Description is substantially smaller than previous iterations, and presents significant new environmental safeguards, including:

- a development footprint less than half the size previously envisaged;
- the consolidation of most major site infrastructure in a single drainage (the 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 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;
- a comprehensive tailings and water management plan including a flow through design for the bulk tailings embankment;
- no permanent waste rock piles; and
- no secondary gold recovery plant.

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.

Environment and Permitting

The Pebble deposit is located on State land that has been specifically designated for mineral exploration and development. The Pebble area has been the subject of two comprehensive land-use planning exercises conducted by the ADNR, the first in the 1980s and the second completed in 2005 and subsequently revised in 2013. 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. 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.

Northern Dynasty began an extensive field study program in 2004 to characterize the existing physical, chemical, biological, and social environments in the Bristol Bay and Cook Inlet areas where the Project might occur. The Pebble Partnership compiled the data for the 2004-2008 study period into a multi-volume Environmental Baseline Document ("**EBD**", PLP, 2012). 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 eventual mine permitting in Alaska; and
- provide a baseline for long-term monitoring of potential changes associated with mine development.

Additional data collected from the 2009-2013 period was compiled into the Supplemental EBD (PLP, 2018) and transmitted to USACE. In 2017, select environmental baseline studies were re-initiated and expanded. Monitoring data collected through 2019 has been provided to USACE.

The baseline study program includes:

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

The Pebble EIS published by USACE on July 24, 2020, was the culmination of a 2½ year long, intensive review process under NEPA. Led by USACE, the Pebble EIS also involved eight federal cooperating agencies (including the EPA and US Fish & Wildlife Service), three State cooperating agencies (including the ADNR and the ADEC), the Lake & Peninsula Borough and two federally recognized tribes. The Pebble EIS was viewed by Pebble Partnership as positive in that it found impacts to fish and wildlife would not be expected to affect subsistence harvest levels, there would be no measurable change to the commercial fishing industry including prices, and there would be a number of positive socioeconomic impacts on local communities.

On November 25, 2020, USACE issued a ROD rejecting the Pebble Partnership's permit application, finding concerns with the proposed CMP and determining that the Proposed Project would cause significant degradation and be contrary to the public interest. USACE concluded the proposed CMP was not compliant with USACE regulations. The Pebble Partnership submitted its request for appeal of the ROD to USACE Pacific Ocean Division on January 19, 2021. The request for appeal reflects the Pebble Partnership's position that USACE's ROD and permitting decision – including its "Significant Degradation" finding, its "public interest review" findings, and its rejection of the Pebble Partnership's CMP – are contrary to law, unprecedented in Alaska, and fundamentally unsupported by the administrative record, including the Proposed Project Pebble EIS. In a letter dated February 24, 2021, USACE confirmed the Pebble Partnership's RFA is "complete and meets the criteria for appeal." Further information on the Pebble EIS process and status of the appeal of the ROD is provided in *Three Year History*.

On January 30, 2023, the EPA issued a Final Determination under Section 404(c) of the Clean Water Act, imposing limitations on the use of certain waters in the Bristol Bay watershed as disposal sites for certain discharges of dredged or fill material associated with development of a mine at the Pebble deposit. This Final Determination is the concluding step in the administrative process set forth in 40 C.F.R. Part 231, which governs EPA's authority under Section 404(c) to veto permit decisions. The Administrative Procedure Act ("APA"), 5 USC §551 et seq., which governs judicial review of agency decisions, provides that individuals aggrieved by agency action may seek judicial review of any "final agency action." EPA's administrative determination can be challenged by filing a lawsuit in U.S. federal district court seeking reversal of that decision. Further information is provided in *Three Year History*.

The Project will require additional Federal permits, in addition to those issued under the CWA and RHA permits, as well as a range of permits issued by the State of Alaska.

Community Consultation and Stakeholder Relations

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; and
- 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 Pebble Partnership 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.

In April 2021, the Pebble Partnership published an Environmental, Social & Governance ("ESG") Report for the Pebble Project which addresses the broad range of progressive principles, practices and commitments employed at Pebble by the Company and the Pebble Partnership over the past two decades to advance the project.

C. Plans For 2023

In 2023, the Company plans to proceed with the preparation of a fully independent Preliminary Economic Assessment on the Pebble Project (" **2023 PEA**"). The Company anticipates that the 2023 PEA will:

- be generally based on the project description set out in the 2021 PEA and the 2022 PEA;
- make express reference to both the current status of the appeal by the Pebble Partnership of the Record of Decision of the USACE and the issuance of the Final Determination by the EPA and Pebble Partnership's determination to challenge;
- include an independent resource estimate for the Pebble Project;
- include updated current estimates of the capital and operation costs for the Pebble Project from those reflected in the 2021 PEA and the 2022 PEA; and
- include the results of the economic analysis of the Pebble Project.

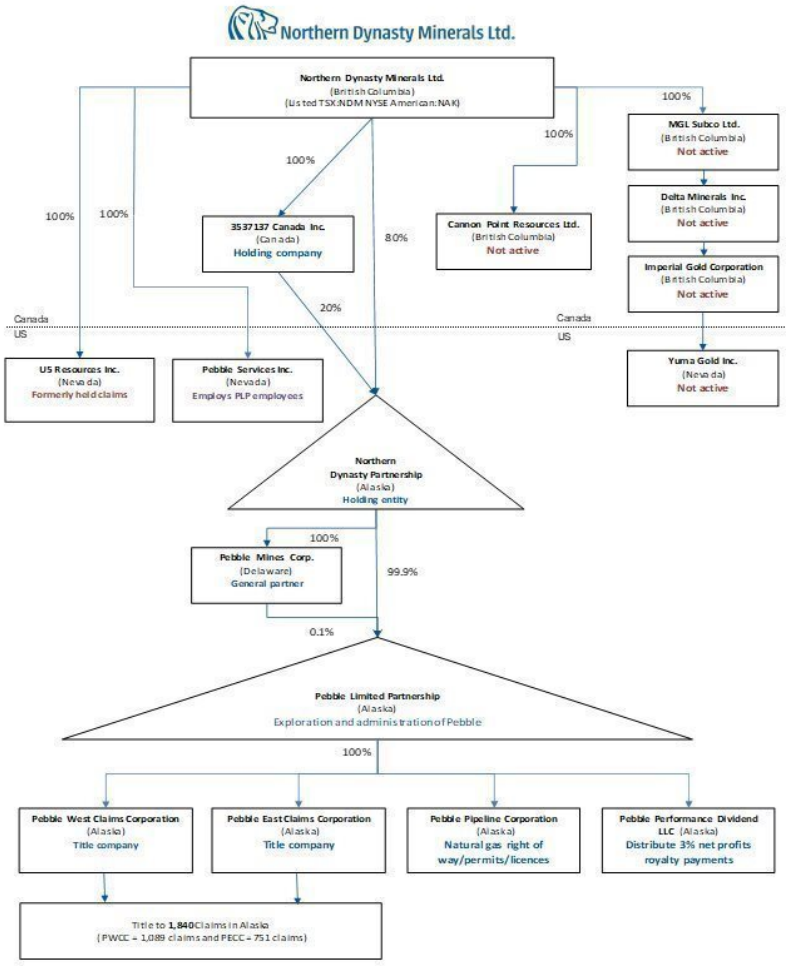
The Pebble Partnership staff will conduct a program of ongoing site maintenance, including a limited program of drill hole closures, and continue to maintain an active corporate presence in Alaska and Washington, D.C. to engage and consult with project stakeholders.

Corporate activities will focus on advancing the appeal of the ROD and judicial review of the Final Determination. Other activities will include raising capital, as necessary, to support the appeal and judicial review, corporate reporting and discussions directed toward securing a partner with which to advance the overall development of the project.

Additional details for the Company's plan of operations for 2023 is provided in the Company's 2022 Annual MD&A.

D. Organizational Structure

Structure as at December 31, 2022:


Northern Dynasty Minerals Ltd.
Northern Dynasty Minerals Ltd.
(British Columbia)
(Listed TSX:NDM NYSE American:NAK)
100%
MGL Subco Ltd.
(British Columbia)
Not active
100%
Delta Minerals Inc.
(British Columbia)
Not active
Imperial Gold Corporation
(British Columbia)
Not active
Yuma Gold Inc.
(Nevada)
Not active
100%
100%
100%
3537137 Canada Inc.
(Canada)
Holding company
80%
Cannon Point Resources Ltd.
(British Columbia)
Not active
20%
Canada
US
Canada
US
US Resources Inc.
(Nevada)
Formerly held claims
Pebble Services Inc.
(Nevada)
Employs PLP employees
Northern
Dynasty Partnership
(Alaska)
Holding entity
100%
Pebble Mines Corp.
(Delaware)
General partner
99.9%
0.1%
Pebble Limited Partnership
(Alaska)
Exploration and administration of Pebble
100%
Pebble West Claims Corporation
(Alaska)
Title company
Pebble East Claims Corporation
(Alaska)
Title company
Pebble Pipeline Corporation
(Alaska)
Natural gas right of
way/permits/licences
Pebble Performance Dividend
LLC (Alaska)
Distribute 3% net profits
royalty payments
Title to 1,840 Claims in Alaska
(PWCC = 1,089 claims and PECC = 751 claims)

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 $14 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:

Northern Dynasty May be Unsuccessful in Appealing the Record of Decision and may ultimately not be able to Obtain the Required Environmental Permits for the Pebble Project.

The USACE's ROD issued on November 25, 2020, has denied Northern Dynasty's environmental permit for development of the Pebble Project under the Clean Water Act. This environmental permit is required for Northern Dynasty to proceed with the development of the Pebble Project. While the Pebble Partnership is appealing this Record of Decision, there is no assurance that the appeal of the Record of Decision will be successful. Even if the appeal is successful, there is no assurance that a positive Record of Decision will ultimately be obtained by the Pebble Partnership or that the required environmental permit will be obtained. An inability to successfully appeal the Record of Decision will mean that Northern Dynasty cannot proceed with development of the Pebble Project as presently envisioned. There is no assurance that Northern Dynasty will be able to redesign the Pebble Project in a manner that addresses the "significant degradation" conclusion reached by the USACE or ultimately develop any compensatory mitigation plan that the USACE accepts as appropriately addressing the "significant degradation" determination or that will change the USACE's position that environmental permitting of the Pebble Project under the CWA is against the public interest. Northern Dynasty's inability to address these issues may mean that the Company is ultimately not able to secure the environmental permits that are required to develop the Pebble Project. Accordingly, there is no assurance that Northern Dynasty will ever be able to proceed with development of the Pebble Project or that investors will be able to recover their investment in the Company.

In addition, the EPA has re-initiated the CWA Section 404(c) process, and has issued a Final Determination for the waters of Bristol Bay. The Final Determination has established a Defined Area for Prohibition coextensive with the current mine plan footprint in which the EPA prohibits the disposal of dredged or fill material for the Pebble Project and has also established the Defined Area for Restriction. Such Final Determination will negatively affect the ability of the Pebble Partnership to obtain required permitting and develop the Project, even if the appeal of the 2020 ROD is successful unless the Final Determination is also challenged and withdrawn. There is no assurance that any challenge by the Company to the EPA's Final Determination will be successful. The inability to successfully challenge the EPA's Final Determination may ultimately mean that the Company will be unable to proceed with the development of the Pebble Project as currently envisioned or at all.

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 even if the Final Determination is successfully challenged. In addition, there are prominent and well-organized opponents of the Pebble Project and the Company may be unable, even if it 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. Although, the Company received a denial of its CWA 404 permit application from the USACE, the Company has submitted an appeal of the ROD. The uncertainty of the USACE appeal process and the EPA Final Determination process casts doubt as to whether we will ever be able to obtain these permits for the Pebble Project as currently planned or within the timeline envisioned. Should the appeal be successful, and the Final Determination successfully challenged, of which there is no assurance, the Company will still be required to secure the full range of permits and authorizations from multiple federal and state regulatory agencies, which 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 the Company builds a mine at the Pebble Project it will be unable to achieve revenues from operations and may not be able to sell or otherwise recover its investment in the Pebble Project, which would have a material adverse effect on the Company and an investment in the Company's common shares.

The Pebble Project is Not Evaluated by Any Preliminary or Final Feasibility Study

The development of the Pebble Project has not been evaluated by any preliminary or final feasibility study. Accordingly, even if the ROD is overturned and the Final Determination successfully challenged, there are substantial risks that we will not be able to proceed with the development of the Pebble Project, that the Pebble Project cannot be economically mined or that shareholders will not be able to recover their investment in the Company.



If Northern Dynasty is Unable to Defend the "Class Action" Lawsuits against it, there is No Assurance that Northern Dynasty will not be Subject to Judgements for Damages against it

Northern Dynasty is the subject of proposed class action lawsuits against it that assert liability against Northern Dynasty on behalf of a purported class of shareholders under securities laws, both in Canada and in the United States. While Northern Dynasty intends to vigorously defend these claims, there is no assurance that Northern Dynasty will be successful in defending all claims made against it. Should Northern Dynasty not be successful in defending these claims, it may be subject to judgements against it and be required to pay substantial amounts in damages to the plaintiffs under these judgements. These damages could result in a material and adverse impairment to Northern Dynasty's financial condition and capital resources, and may further impair its ability to pursue the development of the Pebble Project.

In addition, Northern Dynasty is required under the terms of the indemnification agreements that it has entered into with underwriters in connection with Northern Dynasty's public financings to indemnify the underwriters for any losses that they incur. As certain of Northern Dynasty's underwriters have been named as defendants in certain of these class action lawsuits, Northern Dynasty may be required to indemnify and pay monies to the underwriters for any losses that they suffer and expenses that they incur. In addition, Northern Dynasty may be required to indemnify certain of its officers and directors for any losses that they suffer or expenses that they incur.

There is no assurance that Northern Dynasty's existing insurance policies will respond and be sufficient to cover any amounts that it may be required to pay to the plaintiffs in these class action lawsuits, or the underwriters under our indemnification obligations. We may also be required to indemnify certain of our officers and directors who have been named as party to these lawsuits. These damages could result in a material and adverse impairment to our financial condition and capital resources, and may further impair our ability to raise additional financing and pursue the development of the Pebble Project.

Grand Jury Investigation and Related Matters

The Company is cooperating with a grand jury investigation involving the United States Attorney's Office for the District of Alaska, and an SEC inquiry, as described below under Item 12. *Legal*. The Company is not able to provide investors with guidance as to the outcome of the grand jury investigation or SEC inquiry, or whether either of them will result in any charges or other claims against the Company, the Pebble Partnership or their associated individuals. The Company does anticipate, however, that it will incur substantial expenses in connection with cooperating with the grand jury and SEC matters, including legal fees and expenses related to the collection, review, and production of documents, among other things. Any adverse civil or criminal proceedings could have a material adverse impact on Northern Dynasty's prospects and ability to advance development of the Pebble Mine project.

In addition, Northern Dynasty and the Pebble Partnership may face ongoing and further inquiries, demands or allegations concerning future plans for the Pebble Project from the US Congress' House Committee on Transportation and Infrastructure. Again, any adverse civil or criminal proceedings relating to the Committee's investigation could have a material adverse impact on Northern Dynasty's prospects and ability to advance development of the Pebble Project. In addition, these inquiries or any possible resulting civil or criminal proceedings could erode any existing political support for the Pebble Project which may reduce the likelihood of the Pebble Project obtaining the required environmental permitting.

The Record of Decision and the Final Determination have had and will have an Ongoing Adverse Impact on Northern Dynasty's Ability to Finance the Pebble Project.

Northern Dynasty believes that the USACE's ROD has had a material adverse impact on its ability to finance its operations and will continue to adversely impact its financing options for so long as the ROD remains outstanding. In addition, the EPA's Final Determination may adversely impact Northern Dynasty's ability to complete future financings. Appealing the ROD in any future litigation and challenging the EPA's Final Determination will require a substantial amount of our current cash and financial resources. As Northern Dynasty does not have any revenues, and does not anticipate revenues in the foreseeable future, Northern Dynasty will require additional financing to continue its operations and to fully fund the appeal of the ROD and the challenge of the Final Determination. Northern Dynasty does not have any assurance that it will be able to achieve this financing. If Northern Dynasty is unsuccessful in its appeal of the ROD or challenge of the EPA's Final Determination, Northern Dynasty's financing options may be substantially limited and it may not be able to generate the necessary financing to enable continued operations without a substantial reduction or restructuring of the Pebble Project. The Company's inability to secure this additional required financing will negatively impact the ability of shareholders to recover their investment in the Company.

Risk associated with 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 Northern Dynasty's business and results of operations and the operations of contractors and service providers. The extent to which COVID-19 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 its severity and the actions taken to contain the virus or treat its impact, among others. The adverse effects on the economy, the stock market and Northern Dynasty's share price could adversely impact its 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 the Company's business and results of operations and could delay its plans for development of the Pebble Project.

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 Regulatory Opposition

The Pebble Project faces concerted 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. These efforts could materially increase the cost and time for development of the Pebble Project and the related infrastructure, or require changes to development plans, which could adversely impact project economics.

The Pebble Partnership's Mineral Property Interests Do Not Contain Any Mineral 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 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 "mineral reserves. Further, "inferred resources" have a great amount of uncertainty as to their economic and legal feasibility. Under Canadian securities law, estimates of inferred mineral resources may not form the basis of feasibility or prefeasibility studies, or any economic study except a Preliminary Economic Assessment as prescribed under NI 43-101.

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.

The mineral resource estimates contained herein have not been adjusted for any risk that the required environmental permits may not be obtained for the Pebble Project. The risk associated with the ability of the Pebble Project to obtain required environmental permits is a risk to the reasonable prospects for eventual economic extraction of the mineralization and their definition as a mineral resource.

There Is No Assurance That Northern Dynasty Will Be Able To Partner The Pebble Project.

One of Northern Dynasty's business objectives is to enter into a joint venture or other partnership arrangement with a third-party partner to fund the advancement of the development of the Pebble Project. There is no assurance that the Company will be able to enter into an arrangement with a partner for the development of the Pebble Project. To the extent that the Company does not enter into any agreement to partner the Pebble Project, it will continue to be required to fund all exploration and other related expenses for advancement of the Pebble Project.

Negative Operating Cash Flow and Financing Requirements.

The Company currently has a negative operating cash flow and anticipates that it will continue for the foreseeable future due to the fact that it does not have revenues from mining or any other activities. As a result the Company's plans for development of the Pebble Project, operating cash flow will continue to be negative until the Company receives revenue from production at the Pebble Project to offset expenses incurred, of which there is no assurance. 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 additional 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, 2022, the Company had working capital of approximately $14.8 million. Northern Dynasty has prioritized the allocation of its financial resources to meet key corporate and Pebble Project expenditure requirements in the near term, including the funding of the appeal of the ROD. Additional financing will be required to progress any material expenditures at the Pebble Project and for working capital. 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.

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, through the Pebble Partnership, 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, Silver and Rhenium 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, silver and rhenium 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, silver and rhenium 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, silver and rhenium have fluctuated in recent years, and future significant price declines could cause investors to be unprepared to finance exploration of copper, gold, molybdenum, silver and rhenium, 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.

The Russian-Ukrainian Conflict – Potential Effects Which Could Detrimentally Affect the Global Economy, Peace and Stability in Europe and Beyond, and Our Business and Share Price

Russian military forces invaded Ukraine in February 2022. In response, Ukrainian military personnel and civilians are actively resisting the invasion. Many countries throughout the world have provided aid to the Ukraine in the form of financial aid and in some cases military equipment and weapons to assist in their resistance to the Russian invasion. The North Atlantic Treaty Organization ("**NATO**") has also mobilized forces to NATO member countries that are close to the conflict as deterrence to further Russian aggression in the region. The outcome of the conflict is uncertain and is likely to have wide-ranging consequences on the peace and stability of the region and the world economy. In addition, certain countries including Canada and the United States, have imposed strict financial and trade sanctions against Russia, which sanctions may have far reaching effects on the global economy. The long-term impacts of the conflict and the sanctions imposed on Russia remain uncertain and could have an adverse impact on the Company's business and results of operations and may have wide-ranging consequences on the peace and stability of the region and the world economy.

The conflict could affect the economies and securities markets of countries in ways that cannot necessarily be foreseen at the present time. These events could also exacerbate other pre-existing political, social and economic risks. Such events could also cause substantial market volatility, exchange trading suspensions and closures and affect the Company's performance, the price of its securities and its ability to successfully raise capital at reasonable rates or at all. As a result, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed.

Although we do not have employees, suppliers or business activities in Ukraine or Russia at this time, the conflict may have a detrimental impact on our business and operations at some point in the future if the conflict spreads, escalates or affects Europe or the world more broadly.

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 the Company's 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 the Company previously estimated. It is possible that the costs and delays associated with the compliance with such standards and regulations could become such that the Company 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 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 will likely 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 they 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 themselves 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 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 previously estimated. It is possible that the costs and delays associated with the loss of services of key personnel could become such that the Company would not proceed with the development or operation of a mine at the Pebble Project.

The Volatility of Northern Dynasty's Common Shares Can Expose Northern Dynasty to the Risk of Litigation.

Northern Dynasty's common shares are listed on the TSX and NYSE American. Securities of mining companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved (see previous risk). These factors include macroeconomic developments in North America and globally, currency fluctuations and market perceptions of the attractiveness of particular industries. The price of Northern Dynasty's common shares is also likely to be significantly affected by short-term changes in copper, gold, molybdenum, silver and rhenium prices or in Northern Dynasty's financial condition or results of operations as reflected in quarterly earnings reports.

As a result of any of these factors, the market price of Northern Dynasty's common shares at any given point in time may not accurately reflect their long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. Northern Dynasty is, and may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

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. If we are unable to raise the necessary capital resources, we may at some point have to reduce or curtail our operations, which would have a material adverse effect on our ability to pursue the permitting and development of the Pebble Project.

While we may attempt to reduce the amount of additional financing required by entering into a potential joint venture or other partnership arrangement for advancement of the Pebble Project, there is no assurance that we may be able to conclude any such agreements. In addition, any joint venture or other form of partnership arrangement for the Pebble Project is anticipated to result in a dilution in our ownership interest in the Pebble Project.

There is also no assurance that we will be successful in securing any long-term project financing utilizing conventional asset level financing, debt, royalty and alternative financing options, such as stream financing. Any project debt financing that we may obtain the future will require future repayments of principal and interest from cash flows generated by the Pebble Project. Likewise, any potential sale of royalty interests in minerals produced from the Pebble Project would require future payments of royalties from cash flows generated by the Pebble Project. If we enter into any streaming arrangements for the Pebble Project, it is anticipated that we would be required to sell minerals produced from the Pebble Project at preferential rates as consideration for up-front funding provided by the party providing the stream financing. As a result, any of these financing options are anticipated to impact on the cash flows from the Pebble Project that would be available to the Company should the Pebble Project proceed to development. Our board of directors has not made any determination as to whether to proceed with any of the above forms of financing and there is no assurance that these financing options will be available to advance development of the Pebble Project.

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 no par value common shares only, with an unlimited number being authorized, of which 529,779,388 common shares were issued and outstanding as fully paid and non-assessable as of December 31, 2022. The audited consolidated annual financial statements describe share issuances effected by Northern Dynasty and the weighted average issue price for shares since January 1, 2021.

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 U.S. 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).

	TSX Trading under the symbol NDM			NYSE American Trading under the symbol NAK		
Fiscal Year Ended December 31,	High ($)	Low ($)	Average daily trading volume	High (US$)	Low (US$)	Average daily trading volume
2022	0.65	0.28	130,379	0.51	0.21	2,585,331
2021	1.45	0.41	674,605	1.15	0.32	15,662,088
2020	3.28	0.39	1,455,055	2.49	0.31	10,183,409
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

	TSX Trading under the symbol NDM			NYSE American Trading under the symbol NAK		
Fiscal Quarter	High ($)	Low ($)	Average daily trading volume	High (US$)	Low (US$)	Average daily trading volume
Q4 2022	0.38	0.28	70,198	0.28	0.21	1,202,171
Q3 2022	0.46	0.31	81,330	0.36	0.23	1,557,598
Q2 2022	0.57	0.32	144,520	0.46	0.25	2,264,208
Q1 2022	0.65	0.37	226,031	0.51	0.29	5,372,806
Q4 2021	0.65	0.41	216,990	0.54	0.32	5,320,943
Q3 2021	0.78	0.47	282,495	0.62	0.37	8,321,317
Q2 2021	0.88	0.58	305,425	0.70	0.47	6,423,732
Q1 2021	1.45	0.41	1,913,170	1.15	0.32	43,754,861

	TSX Trading under the symbol NDM			NYSE American Trading under the symbol NAK		
Last twelve months	**High ($)**	**Low ($)**	**Average daily trading volume**	**High (US$)**	**Low (US$)**	**Average daily trading volume**
February 2023	0.31	0.29	113,636	0.23	0.21	1,173,300
January 2023	0.38	0.29	128,885	0.27	0.21	1,306,165
December 2022	0.35	0.28	108,465	0.26	0.21	1,200,014
November 2022	0.38	0.32	64,299	0.28	0.23	1,149,467
October 2022	0.34	0.32	38,421	0.25	0.23	1,257,033
September 2022	0.39	0.31	97,629	0.30	0.23	1,441,081
August 2022	0.43	0.37	62,449	0.34	0.28	1,179,357
July 2022	0.46	0.32	84,986	0.36	0.25	2,114,920
June 2022	0.40	0.32	93,300	0.32	0.25	1,724,281
May 2022	0.46	0.37	154,984	0.36	0.0.28	2,150,528
April 2022	0.57	0.43	189,876	0.46	0.33	2,950,495
March 2022	0.65	0.43	368,631	0.51	0.34	10,089,713

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 1994
Siri C. Genik [5] Toronto, ON, Canada	Director	February 2023
Gordon B. Keep [2, 3] Vancouver, BC, Canada	Director	October 2015
Wayne Kirk [4] Orcas, WA, United States	Director	March 2021
David C. Laing [3, 4, 5] Vancouver, BC, Canada	Director	May 2016
Christian Milau [2, 4, 5] Vancouver, BC, Canada	Director	May 2016
Kenneth W. Pickering [2, 3, 5] Chemainus, BC, Canada	Director	August 2013
Mark Peters North Vancouver, BC, Canada	CFO	April 2019
Isabel Satra Tampa, FL, United States	Director	March 2023
Ronald W. Thiessen West Vancouver, BC, Canada	President, CEO and Director	November 1995
Trevor Thomas Vancouver, BC, Canada	Secretary and General Counsel	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
Adam Chodos Vancouver, BC, Canada	Executive Vice President, Corporate Development	August 2020
Mike Westerlund North Vancouver, BC, Canada	Vice President, Investor Relations	September 2020

(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. Mr. Milau serves as Chair.
(3) Member of the Compensation Committee. Mr. Pickering serves as Chair.
(4) Member of the Nominating and Governance Committee. Mr. Laing serves as Chair.
(5) Member of the Sustainability Committee. Mr. Pickering serves as Chair.

As at March 30, 2023, the directors and officers of Northern Dynasty, and their respective affiliates, directly and indirectly, own or control as a group an aggregate of 11,916,918 common shares (2.25%), or 29,486,133 common shares (5.28%) 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 billion 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
Big Sky Petroleum Corporation	TSX-V	Director	November 2011	November 2020
Contagious Gaming Inc.	TSX-V	Director	August 2014	Present
GrowMax Resources Corp.	TSX-V	Director	May 2020	Present
Isracann Biosciences Inc.	CSE	Director	July 2019	June 2020
Karam Minerals Inc.	CSE	Director	November 2018	Present
Ynvisible Interactive Inc. (formerly Network Exploration Ltd.)	TSX-V	Secretary	May 2008	Present
Netcoins Holdings Inc.	CSE	Director	August 2018	Present
Solution Financial Inc.	TSX-V (NEX)	Director	December 2010	Present
Strategem Capital Corp.	TSE-V	Director	October 2020	Present

Steven A. Decker, CFA – Director

Mr. Decker is a Chartered Financial Analyst® charter-holder 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 resources company.

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	September 2020
Northcliff Resources Ltd.	TSX	Director	June 2011	Present
Quartz Mountain Resources Ltd.	TSX-V	Director	December 2011	February 2019
		Chairman	December 2011	February 2019
		President & CEO	November 2017	February 2019
Taseko Mines Limited	TSX, NYSE American	Director	January 1991	Present

Siri C Genik - Director

Ms. Genik is a senior executive in the Natural Resources and Infrastructure industries. She is a subject-matter expert in Sustainability and ESG, Stakeholder Engagement and Governance, as well as Strategic Communications and Supply Chain. Siri is the Principal and Founder of BRIDGE©, a firm providing sustainability strategies to Boards and Leadership. She has over 25 years of experience working on major capital projects through the world. Her background with the mining industry includes serving as Head of Project Services for BHP Canada as well as Glencore (Xstrata) working on projects in Australia, Malaysia and New Caledonia. Siri is a lawyer and is fluent in English, French and Spanish.

Gordon B. Keep, B.Sc., MBA, P.Geo. – Director

Mr. 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
Gold X Mining Corp. (previously Sandspring Resources Ltd.)	TSX-V	Director	March 2017	March 2020
Klondike Gold Corp.	TSX-V	Director	December 2013	Present
NG Energy International Corp. (previously Cruzsur Energy Ltd.)	TSX-V	Director	July 2017	Present
Oceanic Iron Ore Corp.	TSX-V	Director	September 2010	Present
Rusoro Mining Ltd.	TSX-V	Director	November 2006	Present
Total Helium Ltd.	TSX-V	Director	September 2021	Present

Vanadian Energy Ltd. (previously Uracan Resources Ltd.)	TSX-V	Director	November 2003	Present

Wayne Kirk, LL.B – Director

Mr. Kirk has over 35 years of experience as a corporate attorney, including nine years' experience as Vice President, General Counsel and Corporate Secretary of Homestake Mining Company, and over 18 years of experience as a director of publicly held companies. Mr. Kirk holds a B.A. in Economics (Distinction) from the University of California (Berkeley) and an LL.B (magna cum laude) degree from Harvard University, and has been a member of the California Bar since 1969. Mr. Kirk was a director of the Company from July 2004 to February 2016.

Mr. Kirk 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 2021	Present
Gabriel Resources Ltd.	TSXV	Director	June 2008	September 2020
Nickel Creek Platinum Corp.	TSX	Director	March 2016	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. Mr. Laing was Chief Operating Officer ("COO") of Equinox Gold Corp. Previously he was COO and director of Trek Mining Inc., Luna Gold Corp. and COO of True Gold Mining Inc. Prior to joining True Gold Mining Inc., Mr. Laing was COO 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
Amarillo Gold Corporation	TSX-V	Director	October 2020	April 2022
Arizona Sonoran Copper Company	TSX	Director	May 2021	Present
Aton Resources Inc.	TSX-V	Director	May 2016	April 2021
Blackrock Gold Corp.	TSX-V	Director	April 2020	Present
Equinox Gold Corp.[1]	TSX, NYSE American	COO	December 2017	November 2018
Fortuna Silver Mines Inc.	TSX, NYSE	Director	September 2016	Present
Gold X Mining Corp. (previously Sandspring Resources Ltd.)	TSX-V	Director	August 2015	March 2020

Note:

1. Equinox Gold Corp. is the result of the merger in December 2017 of Trek Mining Inc., NewCastle Gold Ltd. and Anfield Gold Corp. Trek Mining Inc. was the result of the merger of Luna Gold Corp. and TSX-V listed JDL Gold Corp. in March 2017.

Christian Milau, CPA, CA, CPA (Illinois) – Director

Mr. Milau is is a Chartered Professional Accountant (Chartered Accountant) and mining executive, currently serving as CEO of Blue Dot Carbon Corp. Prior to this he was CEO and Director of Equinox Gold Corp, President and CEO of Trek Mining Inc., Luna Gold Corp. and True Gold Mining Inc. Mr. Milau has finance and capital markets experience as well as operational, government and stakeholder relations experience in North and South America and West Africa. Prior to these recent roles, Mr. Milau was CFO at Endeavour Mining Corporation and was Treasurer at New Gold Inc.

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.[1]	TSX, NYSE American	CEO and Director	December 2017	September 2022
Plateau Energy Metals Inc.	TSX-V	Director	June 2016	May 2021

Note:

1. Equinox Gold Corp. is the result of the merger in December 2017 of Trek Mining Inc., NewCastle Gold Ltd. and Anfield Gold Corp. Trek Mining Inc. was the result of the merger of Luna Gold Corp. and TSX-V listed JDL Gold Corp. in March 2017.

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	August 2013	Present
Enaex Chile	IPSA	Director	May 2011	May 2018
Endeavour Silver Corp.	TSX, NYSE	Director	August 2012	Present
Taseko Mines Limited	TSX, NYSE American	Director	July 2018	Present
Teck Resources	TSX, NYSE	Director	March 2015	Present

Isabel Satra, BSc. MBA – Director

Isabel Satra is an equity analyst and portfolio manager with over 20 years of investment experience. She is currently a Principal at Kopernik Global Investors and serves as the firm's CFO. She holds an MBA from the University of California, Irvine and a BS in Engineering from Rutgers University.

Ronald W. Thiessen, FCPA, FCA – Director, President and Chief Executive Officer

Mr. Thiessen is a Chartered Professional Accountant (CPA, CA) 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
Taseko Mines Limited	TSX, NYSE American	Director	October 1993	Present
		Chairman	May 2006	Present

Mark Peters, CPA, CA – Chief Financial Officer

Mr. 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 CFO, having served as CFO for HDSI since 2016 and for a TSX Venture-listed company from 2012 until 2020. 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	August 2020
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
		General Counsel	April 2021	Present
Amarc Resources Ltd.	TSX-V, OTCBB	Secretary	February 2008	Present
Heatherdale Resources Ltd.	TSX-V	Secretary	June 2013	August 2020
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

Adam Chodos – Executive Vice President, Corporate Development

Mr. Chodos is a senior executive with over 19 years of experience in Corporate Development and Investment Banking advisory. Mr. Chodos was most recently a Director of Corporate Development for Teck Resources and, prior to that, was a Group Executive with Newmont's Corporate Development team. Before joining Newmont, Mr. Chodos spent nine years as an Investment Banker with J.P. Morgan Securities Inc., in New York, specializing in the Natural Resources sector. He had a significant role in over US$28 billion of mergers, acquisitions, divestitures and capital markets transactions. Mr. Chodos has a Bachelor of Commerce degree from McGill University. He is also Executive Vice President, Corporate Development for HDSI.

Bruce Jenkins – Executive Vice President, Environment and Sustainability

Mr. 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 HDI.

Stephen Hodgson – Vice President, Engineering

Mr. 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. He was also Senior Vice President of Engineering and Project Director, Engineering, for the Pebble Limited Partnership until February 28, 2021.

Mike Westerlund – Vice President, Investor Relations

Mr. Westerlund is a seasoned investor relations executive with 20 years' experience in the North American metals and mining industry. Most recently, Mr. Westerlund was Vice President, Investor Relations with Hecla Mining Company, a US$3 billion NYSE-listed precious metals company with five operating mines in Canada, the United States and Mexico, where he directed the investor relations department for eight years. Previously, Mr. Westerlund worked with a series of mineral exploration and mining firms with development stage and operating assets throughout North America.

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
	Wayne Kirk
	Christian Milau
Sustainability Committee	Kenneth Pickering (Chair)
	Siri Genik
	David Laing
	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.

Bankruptcies, Cease Trade Orders, 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 bankruptcy, cease trade order, penalties or sanctions, 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 bankruptcy, cease trade order, penalties or sanctions 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.

Exceptions

As publicly disclosed at www.sedar.com, Great Basin Gold Ltd. ("**GBG**"), a company for which Messrs. Kirk and Thiessen were at one time directors, became bankrupt due to heavy indebtedness, mine production issues and falling gold prices. GBG was liquidated, commencing in September 2012. Mr. Kirk resigned in January 2012 and 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. It may occur from time to time that, as a consequence of a particular director's activity in the mining and mineral industry and serving on such other boards, a director may become aware of potential resource property opportunities which are of interest to more than one of the companies on whose boards that person serves. Furthermore, it is possible that the directors Northern Dynasty and the directors of one or more such other companies (many of which are described herein) may also agree to allow joint participation on Northern Dynasty's properties or the properties of that other company. Accordingly, situations may arise in the ordinary course which involve a director in an actual or potential conflict of interest as well as issues in connection with the general obligation of a director to make corporate opportunities available to Northern Dynasty and other companies on whose board the director serves. In all such events, any director is required to disclose a financial interest in a contract or transaction by virtue of office, employment or security holdings or other such interest in another company or in a property interest under consideration by the Board, and is obliged to abstain from voting as a director of Northern Dynasty in respect of any transaction involving that other company or in respect of any property in which an interest is held by said director. The directors will use their best business judgment to help avoid situations where conflicts or corporate opportunity issues might arise and they must at all times fulfil their duties to act honestly and in the best interests of Northern Dynasty as required by law.

Item 11. Promoters

Not applicable.

Item 12. Legal

On September 23, 2020, the Company announced that Tom Collier, the former Chief Executive Officer of the Pebble Partnership, had submitted his resignation in light of comments made about elected and regulatory officials in Alaska and the Pebble Project in private conversations covertly videotaped by an environmental activist group. Conversations with Mr. Collier, as well as others with Ron Thiessen, Northern Dynasty's President and Chief Executive Officer, were secretly videotaped or audiotaped by unknown individuals posing as representatives of a Hong Kong-based investment firm, which represented that it was linked to a Chinese State-Owned Enterprise (SOE). The Company understands that a Washington DC-based environmental group, the Environmental Investigation Agency, released portions of the recordings online after obscuring the voices and identities of the individuals posing as investors.

Following the release of the recordings, the USACE issued a statement that, following a review of the transcripts of the recordings, they had "identified inaccuracies and falsehoods relating to the permit process and the relationship between our regulatory leadership and the applicant's executives".

Committee on Transportation and Infrastructure of the United States House of Representatives

On November 19, 2020, the Pebble Partnership received a letter from the Committee on Transportation and Infrastructure of the United States House of Representatives, stating that the comments made by Mr. Collier and Mr. Thiessen regarding the expansion, capacity, size and duration of the potential Pebble mine were believed to be inconsistent with the testimony of Mr. Collier before the Committee and demanding production of documents apparently related to the comments. The Company produced documents in response to those requests. The Company also responded to the Committee by letter denying and refuting that there was any inconsistency as raised in the Committee's November 19, 2020 correspondence.

On October 22, 2022, the Committee's then-Majority Staff released a report concerning the Pebble Project, alleging false testimony to the Committee and indicating that a referral has been made to the U.S. Attorney General's Office. The Staff Report was issued without providing the Company any opportunity to respond to the allegations contained in the Staff Report prior to its release. Nor did the Committee publicly request or conduct any interviews of Northern Dynasty or Pebble employees after its November 19, 2020, correspondence. The Pebble Partnership, in a press release, responded "[w]e want to be absolutely clear, however, that to the extent the report contains any suggestion that we tried to mislead regulators in any way, it is categorically wrong and misinformed of the realities of the Pebble permitting process." The Company also stated "[w]e look forward to laying out the essential context missing from the report." Pebble Partnership CEO, John Shively, further responded to the Staff Report in a letter dated December 22, 2022, stating that the Staff Report was "issued in violation of

Committee rules and without any meaningful consideration of the objective facts." No formal response to the letter has been received from the Committee.

Grand Jury Subpoena

On February 5, 2021, the Company announced that the Pebble Partnership and Tom Collier, the former Chief Executive Officer of the Pebble Partnership, had each been served with a subpoena issued by the United States Attorney's Office for the District of Alaska to produce documents in connection with a grand jury investigation. The Company is not aware of any criminal charges having been filed against any entity or individual in this matter.

The Company also self-reported this matter to the SEC, and responded to a related inquiry being conducted by the enforcement staff of the SEC's San Francisco Regional Office. The Company and the Pebble Partnership are cooperating with each of these investigations.

Class Action Litigation following the USACE'S Record of Decision

On December 4 and 17, 2020, separate putative shareholder class action lawsuits were filed against the Company and certain of its current and former officers and directors in the U.S. District Court for the Eastern District of New York regarding the drop in the price of the Company's stock following the ROD by the USACE regarding the Pebble Project. These cases are captioned *Darish v. Northern Dynasty Minerals Ltd. et al.,* Case No. 1:20-cv-05917-ENV-RLM, and *Hymowitz v. Northern Dynasty Minerals Ltd. et al.,* Case No. 1:20-cv-06126-PKC-RLM. Each of the complaints was filed on behalf of a purported class of investors who purchased shares of the Company's stock from December 21, 2017, through November 25, 2020, the date the USACE announced its decision, and seeks damages allegedly caused by violations of the federal securities laws. On March 17, 2021, the two cases were consolidated and a lead plaintiff and counsel were appointed. A consolidated and amended complaint was filed in June 2021, naming the Company, the Company's CEO and the Pebble Partnership's former CEO as defendants. The Company filed a motion to dismiss the complaint on behalf of all defendants, which the Court denied on January 25, 2023. The Company will continue to

defend its interests in the litigation, which is expected to proceed into the discovery phase and forthcoming motion practice on whether a class should be certified.

On December 3, 2020, a putative shareholder class action lawsuit was filed against the Company, certain of its current and former officers and directors, and one of its underwriters in the Supreme Court of British Columbia regarding the decrease in the price of the Company's stock following the USACE's November 25, 2020 decision regarding the Pebble Project. The case is captioned *Haddad v. Northern Dynasty Minerals Ltd. et al.,* Case No. VLC-S-S-2012849. The claim was filed on behalf of a purported class of investors, wherever they may reside, who acquired common shares of the Company's stock between December 21, 2017 and November 25, 2020, and seeks damages for (i) alleged misrepresentations in the Company's primary market offering documents and continuous disclosure documents, and (ii) allegedly oppressive conduct. The Company has been served the claim and intends to defend itself vigorously. The underwriter has asserted contractual rights of indemnification against the Company for any loss that the underwriter may incur in connection with the lawsuit. On April 20, 2022, the putative plaintiff filed and subsequently served an application to amend his pleadings to harmonize with the pleadings in the Woo case described below, add Mr. Woo as a plaintiff, and add new underwriter defendants. Also on April 20, 2022, the putative plaintiff filed and subsequently served an application for leave to commence a secondary market liability claim under s. 140.3 of the B.C. Securities Act, for an order certifying the action as a class action, and for related relief.

On February 17, 2021, a putative shareholder class action lawsuit was filed against the Company, certain of its current and former officers and directors, and certain of its underwriters in the Supreme Court of British Columbia regarding the decrease in the price of the Company's stock following (i) the USACE's August 24, 2020 announcement that the Pebble Project could not be permitted as proposed, and (ii) the USACE's November 25, 2020 decision regarding the Pebble Project. The case is captioned *Woo v. Northern Dynasty Minerals Ltd. et al.* , Case No. VLC-S-S-211530. The claim was filed on behalf of a purported class of investors, wherever they may reside, who purchased securities of the Company between June 25, 2020 and November 25, 2020, and seeks damages for (i) alleged misrepresentations in the Company's primary market offering documents and continuous disclosure documents, (ii) allegedly oppressive conduct, (iii) alleged unjust enrichment, and (iv) negligence. The Company has been served and intends to defend itself vigorously. The underwriters have asserted contractual rights of indemnification against the Company for any loss that they may incur in connection with the lawsuit.

On March 5, 2021, a putative shareholder class action lawsuit was filed against the Company, certain of its current and former officers and directors, and certain of its underwriters in the Ontario Superior Court of Justice regarding the decrease in the price of the Company's stock following the USACE's November 25, 2020 decision regarding the Pebble Project. The case is captioned *Pirzada v. Northern Dynasty Minerals Ltd. et al.* , Case No. CV-21-00658284-00CP. The claim was filed on behalf of a purported class of investors, wherever they may reside, who acquired securities of the Company between June 25, 2020 and November 25, 2020, and seeks damages for (i) alleged misrepresentations in the Company's primary market offering documents and continuous disclosure documents, (ii) allegedly oppressive conduct, and (iii) alleged negligence. On March 30, 2022, the plaintiff made a motion to discontinue the claim without costs and the court granted the discontinuance in April 2022.

Indemnification Obligations

The Company is subject to certain indemnification obligations to both present and former officers and directors, including Mr. Collier, in respect to the legal proceedings described above. These indemnification obligations will be subject to limitations prescribed by law and the articles of the Company, and may also be subject to contractual limitations.

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 41, 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, 2022, the Company paid HDSI approximately $3.87 million (2021 – $5.36 million) for services rendered by HDSI and reimbursed HDSI approximately $0.70 million (2021 – $0.62 million) for third party costs incurred on the Company's behalf. Certain members of the Company's senior management including the Company's CEO and 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 31, 2023 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., Eric Titley, P.Geo., and Stephen Hodgson, P.Eng. [5] ., of Hunter Dickinson Services Inc. ("**HDSI**"), and Hassan Ghaffari, P.Eng., and James Lang, P.Geo., consultants, are persons:

- who are named as in a report described in a filing, or referred to in a filing by the Company made under National Instrument 51-102, *Continuous Disclosure Obligations*, 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, Titley and Hodgson, employees of HDSI, and Dr. Lang, a former employee and currently a consultant to HDSI, hold interests in the common shares of the Company, directly or indirectly, or through share purchase options, each representing less than 1% of the Company's outstanding share capital. Hassan Ghaffari, P.Eng., holds no interest in the Company.

Deloitte LLP is independent with respect to Northern Dynasty within the meaning of the Securities Act of 1933, as amended and the applicable rules and regulations thereunder adopted by the SEC and the Public Company Accounting Oversight Board (United States) and 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.

[5] Mr. Hodgson has been the Vice President, Engineering for the Company since March 2005. In July 2018, he was transferred to Hunter Dickinson (US) Servicepay Inc. and acted as Senior Vice President, Engineering and Project Director for the Pebble Partnership. He held that role until February 28, 2021, when he was transferred back to HDSI and continues to act as the Vice President, Engineering for the Company.



Item 19. Audit and Risk Committee, Auditor Fees, Exemptions, Code of Ethics

Audit and Risk Committee (the "Audit Committee")

Audit Committee Charter

The Audit 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 Committee currently consists of Christian Milau (Chair), Ken Pickering and Gordon Keep. The Audit 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 Committee Charter has set criteria for membership which all committee members are required to meet, consistent with National Instrument 52-110, *Audit Committees*("**NI 52-110**"), and other applicable regulatory requirements. The Audit 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 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 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 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 Committee for approval prior to the beginning of any such services. The Audit Committee considers such requests 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 audit and non-audit services, with set maximum dollar amounts for each itemized service. During such deliberations, the Audit 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 Committee has reviewed the nature and amount of the audit and non-audit services provided by Deloitte LLP (" **Deloitte**") to the Company to ensure auditor independence. Fees incurred with Deloitte 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 2022**	Year ended December 31 2021
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.	$ 259,000	$ 246,000
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.	70,000 [1]	84,000 [2]

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		$ 329,000	$ 300,000

Note

1. Fees relate to assistance with an updated comfort letter and the preliminary base shelf prospectus, and the audit of the Royalty Agreement accounting treatment.

2. Fees relate to assistance with the Company’s June 2021 ATM Offering and subsequent updates to Deloitte LLP’s comfort letter thereon.

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 auditors. 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 auditors 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 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 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 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 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 99.2



CONSOLIDATED
FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021

(Expressed in thousands of Canadian Dollars)

Northern Dynasty Minerals Ltd.
Consolidated Financial Statements

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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, 2022 and 2021, 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, 2022, 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, 2022 and 2021, and its financial performance and its cash flows for each of the two years in the period ended December 31, 2022, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 30, 2023, expressed an unqualified opinion on the Company's internal control over financial reporting.

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 $24 million during the year ended December 31, 2022 and, as of that date, the Company's consolidated deficit was $676 million. These conditions, along with other matters 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 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.

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.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing a separate opinion on the critical audit matters or on the accounts or disclosures to which it relates.

Mineral property, plant and equipment – Assessment of Whether Indicators of Impairment Exist – Refer to Notes 1 and 2(p) to the financial statements

Critical Audit Matter Description

At the end of each reporting period, the carrying amounts of the Company’s non-financial assets are reviewed to determine whether there is any indication that these assets are impaired. The Company holds the rights to the Pebble exploration stage mineral property (the “Pebble Project”). In 2020, the US Army Corps of Engineers (“USACE”) issued a negative Record of Decision (the “ROD”) on the Pebble Partnership’s permit application for the Pebble Project. The Company submitted its request for appeal of the ROD with the USACE on January 19, 2021. In addition, the Environment Protection Agency (“EPA”) issued its Final Determination in January 2023 which established a "defined area for prohibition" imposing limitations on the use of certain waters in the Bristol Bay watershed as disposal sites for certain discharges of dredged or fill material associated with development of a mine at the Pebble deposit. The Company plans to seek judicial review of the Final Determination through a challenge in a U.S. federal district court (the “Final Determination challenge”). Taking into consideration the Company’s options in the event the ROD appeal is successful or unsuccessful, the outcome of the Final Determination challenge and the Company’s market capitalization as at December 31, 2022, the Company concluded there were no indicators of impairment on the Pebble Project as at December 31, 2022.

While there are several factors that must be considered to determine whether or not an indicator of impairment exists for the Pebble Project, the judgments associated with the Company’s ability to develop the Pebble Project including the options to obtain federal and state permits, the outcome of the Final Determination challenge and the considerations of the Company’s market capitalization excess are the most subjective factors. Auditing these judgements required a high degree of subjectivity in applying audit procedures and in evaluating the results of those procedures. This resulted in an increased extent of audit effort.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to management's assessment of indicators of impairment of whether there were events or change in circumstances that may suggest that the carrying amount of the Pebble Project is impaired included the following, among others:

- Evaluated the effectiveness of controls over management's assessment of indicators of impairment relating to the Pebble Project, including the identification of events or changes in circumstances that may suggest that the carrying amount of the Pebble Project is impaired.
- Evaluated the reasonableness of the Company's ability and options to obtain federal and state permits to develop the Pebble Project, including consideration of the outcome of the Final Determination challenge by:
    - Evaluating regulatory developments relating to federal and state permitting processes and the impact on the Company's ability to continue to explore and develop the Pebble Project.
    - Evaluating the reasonableness of management's assessment of potential alternatives for the future permitting and development of the Pebble Project by having discussions with the Company's internal legal counsel and reviewing legal opinion provided by the Company's external counsel.
    - Read internal communications to management and the board of directors, external communications by management to analysts and investors, and other publicly available information to evaluate whether there was evidence of indicators of impairment that contradicted management's assessment.
- Evaluated the reasonableness of management's considerations of the excess of the Company's market capitalization compared to its asset carrying value in its assessment of impairment indicators.

Royalty agreements – Assessment of the accounting implications of the royalty agreement – Refer to Note 3 to the financial statements

Critical Audit Matter Description

On July 26, 2022, the Company announced that it had entered into an agreement with an external investor (the "Royalty Holder") to receive up to US60 million over the next two years, in return for the right to receive a portion of the future gold and silver production from the Company's Pebble Project for the life of the mine. As of December 31, 2022, the Company has received a non-refundable payment of US12 million (the "initial payment") from the Royalty Holder. The Royalty Holder made the initial payment in exchange for the right to receive 2% of the payable gold production and 6% of the payable silver production from the Pebble Project, in each case after accounting for a notional payment by the Royalty Holder of US1,500 per ounce of gold and US$10 per ounce of silver, respectively, for the life of the mine. If, in the future, spot prices exceed US$4,000 per ounce of gold or US50 per ounce of silver, then the Company will share 20% of the excess price for either metal with the Royalty Holder (the "Royalty Arrangement"). The Company recognized the initial payment as a sale of mineral property interest and the consideration received has been recorded as a recovery of mineral property costs.

Auditing management's judgments related to the accounting treatment of the Royalty Arrangement required a high degree of subjectivity. This resulted in an increased extent of audit effort, including the involvement of accounting specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the accounting of the Royalty Arrangement including the following, among others:

- Evaluated the effectiveness of controls over management's assessment of the accounting treatment of the Royalty Arrangement;
- With the assistance of accounting specialists, evaluated the accounting treatment of the Royalty Arrangement by:
    - Reviewing the executed agreement to determine whether all key facts and circumstances were properly incorporated into management's assessment;
    - Analyzing relevant accounting standards, including various aspects of IFRS, conceptual framework and guidance; and
    - Obtaining an understanding of the legal impacts of the Royalty Arrangement by having discussions with the Company's internal legal counsel.

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, Canada
March 31, 2023

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

Report of Independent Registered Public Accounting Firm

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

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Northern Dynasty Minerals Ltd. and subsidiaries (the “Company") as of December 31, 2022, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2022, of the Company and our report dated March 31, 2023, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed 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. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) 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.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, Canada
March 31, 2023

Northern Dynasty Minerals Ltd.
Consolidated Statements of Financial Position
(Expressed in thousands of Canadian Dollars)

	Notes	December 31 2022	December 31 2021
ASSETS			
Non-current assets			
Restricted Cash	5(b)	$ 852	$ 785
Mineral property, plant and equipment	3	127,531	134,339
Total non-current assets		128,383	135,124
Current assets			
Amounts receivable and prepaid expenses	4	2,662	1,867
Cash and cash equivalents	5(a)	14,173	22,291
Total current assets		16,835	24,158
Total Assets		$ 145,218	$ 159,282
EQUITY			
Capital and reserves			
Share capital	6	$ 700,278	$ 700,278
Reserves	6	118,369	106,735
Deficit		(675,962)	(651,520)
Total equity		142,685	155,493
LIABILITIES			
Non-current liabilities			
Trade and other payables	8	463	1,365
Total non-current liabilities		463	1,365
Current liabilities			
Payables to related parties	7	237	376
Trade and other payables	8	1,833	2,048
Total current liabilities		2,070	2,424
Total liabilities		2,533	3,789
Total Equity and Liabilities		$ 145,218	$ 159,282

Nature and continuance of operations (note 1)
Commitments and contingencies (note 14)

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 2022	2021
Expenses			
Exploration and evaluation expenses	9,10	$ 9,269	$ 12,435
General and administrative expenses	9,10	9,026	9,991
Legal, accounting and audit		4,010	5,941
Share-based compensation	6(c),(d)	2,301	2,858
Loss from operating activities		24,606	31,225
Foreign exchange (income) loss		(55)	456
Interest income		(279)	(176)
Finance expense		67	67
Other income		(3)	(16)
(Gain) loss on disposal of plant and equipment		(1)	2
Gain on modification of lease			(16)
Net loss before tax		$ 24,335	$ 31,542
Income tax expense		107	
Net loss		$ 24,442	$ 31,542
Other comprehensive (income) loss			
Items that may be subsequently reclassified to net loss			
Foreign exchange translation difference	6(e)	(9,333)	903
Other comprehensive (income) loss		$ (9,333)	$ 903
Total comprehensive loss		$ 15,109	$ 32,445
Basic and diluted loss per share	11	$ 0.05	$ 0.06

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 2022	2021
Operating activities			
Net loss		$ (24,442)	$ (31,542)
Non-cash or non operating items			
Depreciation	3	259	329
Gain on modification of lease			(16)
Interest income		(279)	(176)
(Gain) loss on disposal of plant and equipment		(1)	2
Share-based compensation		2,301	2,858
Unrealized exchange loss		31	44
Changes in working capital items			
Amounts receivable and prepaid expenses		(565)	(17)
Trade and other payables		(1,120)	(3,483)
Payables to related parties		(141)	(474)
Net cash used in operating activities		(23,957)	(32,475)
Investing activities			
Acquisition of plant and equipment		(31)	
Disposal of plant and equipment		1	
Proceeds from royalty arrangement on mineral property interest	3	15,463	
Interest received on cash and cash equivalents		238	164
Net cash from investing activities		15,671	164
Financing activities			
Proceeds from issuance of shares			872
Transaction costs on issuances of shares			(48)
Proceeds from the exercise of share purchase options and warrants	6(b),(c)		11,950
Early lease termination payment			(31)
Payments of principal portion of lease liabilities		(129)	(200)
Transaction costs on the At-the-Market Offering			(352)
Net cash (used in) from financing activities		(129)	12,191
Net decrease in cash and cash equivalents		(8,415)	(20,120)
Effect of exchange rate fluctuations on cash and cash equivalents		297	(49)
Cash and cash equivalents - beginning balance		22,291	42,460
Cash and cash equivalents - ending balance	5(a)	$ 14,173	$ 22,291

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(e))	Investment revaluation reserve	Share Purchase Warrants (note 6(b))	Deficit	Total equity
Balance at January 1, 2021		509,046,631	$683,039	$ 77,018	$ 29,661	$ (17)	$ 2,583	$(619,978)	$172,306
Shares issued upon exercise of options per option plan	6(d)	5,084,000	2,592	–	–	–	–	–	2,592
Shares issued upon exercise of warrants and options not issued per option plan	6(c)	14,435,952	9,358	–	–	–	–	–	9,358
Fair value allocated to shares issued on exercise of options and warrants		–	4,465	(2,153)	–	–	(2,312)	–	–
Shares issued, net of transactions costs		1,212,805	824	–	–	–	–	–	824
Share-based compensation	6(c),(d)	–	–	2,858	–	–	–	–	2,858
Net loss		–	–	–	–	–	–	(31,542)	(31,542)
Other comprehensive loss net of tax		–	–	–	(903)	–	–	–	(903)
Total comprehensive loss									(32,445)
Balance at December 31, 2021		**529,779,388**	**$700,278**	**$ 77,723**	**$ 28,758**	**$ (17)**	**$ 271**	**$(651,520)**	**$155,493**
Balance at January 1, 2022		529,779,388	$700,278	$ 77,723	$ 28,758	$ (17)	$ 271	$(651,520)	$155,493
Share-based compensation	6(c),(d)	–	–	2,301	–	–	–	–	2,301
Net loss		–	–	–	–	–	–	(24,442)	(24,442)
Other comprehensive income net of tax		–	–	–	9,333	–	–	–	9,333
Total comprehensive loss									(15,109)
Balance at December 31, 2022		**529,779,388**	**$700,278**	**$ 80,024**	**$ 38,091**	**$ (17)**	**$ 271**	**$(675,962)**	**$142,685**

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, 14th floor, Vancouver, British Columbia.

The consolidated financial statements ("Financial Statements") of the Company as at and for the year ended December 31, 2022, include financial information for the Company and its subsidiaries (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-Silver-Rhenium Project (the "Pebble Project") located in Alaska, United States of America ("USA" or "US"). All US dollar amounts when presented are denoted "US$" and expressed in thousands, unless otherwise stated.

The Group is in the process of exploring and evaluating 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.

As of December 31, 2022, the Group had $ 14,173 (2021 – $22,291) in cash and cash equivalents for its operating requirements and working capital of $14,765 (2021 – $21,734). 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. During the years ended December 31, 2022 and 2021, the Group incurred a net loss of $24,442 and $31,542, respectively, and had a deficit of $ 675,962 as of December 31, 2022. The Group has prioritized the allocation of its financial resources to meet key corporate and Pebble Project expenditure requirements in the near term, including the funding of the appeal of the Record of Decision (the "ROD"), the Group's response to the US Environmental Protection Agency ("EPA")'s final determination (both discussed below) and class action litigation (note 14(a)). Although the Group was successful during the current year in raising US$12,000 ($15,463) from the disposal of a mineral property interest through a royalty arrangement (see note 3), there can be no assurances that the Group will be successful in obtaining additional financing when required. 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.

These Financial Statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments could be material.

The Group, through the Pebble Limited Partnership ("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 ("EIS") in February 2019 and completed a 120-day public comment period thereon on July 2, 2019. In late July 2019, the EPA withdrew the determination initiated under Section 404(c) of the CWA in 2014 for the waters of Bristol Bay ("Proposed Determination"), which attempted to pre-emptively veto the Pebble Project before it received an objective, scientific regulatory review under NEPA. On July 24, 2020, the USACE published the final EIS. On November 25, 2020, the USACE issued a ROD rejecting the Pebble Partnership's permit application, finding concerns with the proposed compensatory mitigation plan and determining the project would be contrary to the public interest. The ROD rejected the compensatory mitigation plan as "noncompliant" and determined the project would cause "significant degradation" and was contrary to the public interest. Based on this finding, the USACE rejected Pebble Partnership's permit application under the CWA. On January 19, 2021, the Pebble Partnership submitted its request for appeal of the ROD with the USACE (the "RFA"). On February 24, 2021, the USACE notified the Pebble Partnership that the RFA is "complete and meets the criteria for appeal" and assigned a review officer ("RO") to oversee the administrative appeal process at that time and has since assigned a new RO. While federal regulations suggest the appeal should conclude within 90 days, and no case extend beyond one year, the USACE also indicated that due to the complexity of issues and volume of materials associated with the Pebble Project case, the review will take additional time. In June 2021, the USACE completed the 'administrative record' for the appeal and provided a copy to the Pebble Partnership, following which the Pebble Partnership and its legal counsel reviewed the voluminous record for completeness and relevance to the USACE's permitting decision, and its sufficiency to support a fair, transparent and efficient review. An appeal conference was held in July 2022. The timing and outcome on the appeal remains uncertain.

On October 29, 2021, the court granted the EPA's motion for remand, and vacated the EPA's 2019 withdrawal of the Proposed Determination decision, thus reinstating the Proposed Determination. The court declined to impose a schedule on the EPA's proceedings on remand. On May 25, 2022, the EPA announced that it intended to advance its pre-emptive veto of the Pebble Project and issued a revised Proposed Determination which would establish a "defined area for prohibition" coextensive with the current mine plan footprint in which the EPA would prohibit the disposal of dredged or fill material for the Pebble Project. It would also establish a 309-square-mile "defined area for restriction". Public comments on the revised Proposed Determination closed on September 6, 2022. The Pebble Partnership submitted extensive comments on the Revised Proposed Determination, objecting to the EPA's preemptive veto of the Pebble Project and stating its concerns about legal and factual flaws therein.

On January 30, 2023, the EPA issued a Final Determination under Section 404(c) of the CWA, imposing limitations on the use of certain waters in the Bristol Bay watershed as disposal sites for certain discharges of dredged or fill material associated with development of a mine at the Pebble deposit. This Final Determination is the concluding step in the administrative process set forth in 40 C.F.R. Part 231, which governs the EPA's authority under Section 404(c) to veto permit decisions. The Administrative Procedure Act ("APA"), 5 USC §551 et seq., which governs judicial review of agency decisions, provides that individuals aggrieved by agency action may seek judicial review of any "final agency action." The EPA's administrative determination can be challenged by filing a lawsuit in U.S. federal district court seeking reversal of that decision.

The Company and the Pebble Partnership plan to seek judicial review of the Final Determination through a challenge in a U.S. federal district court.

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, 2022. These Financial Statements were authorized for issue by the Board of Directors on March 24, 2023.

(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. The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements unless otherwise stated.

(c) 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)
Pebble Performance Dividend LLC	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)
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 1,840 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.

(d) 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.

(e) 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 not be 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 consist 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 not be 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 only has non-derivative financial liabilities which consist of trade and other payables 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.

(f) 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 or 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.

(g) 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. Amounts received pursuant to the royalty arrangement (note 3), and which will be in set amounts, are recognized as sales of mineral property interests. No gain or loss is recognized until the consideration received is in excess of the carrying amount.

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 such as through sales pursuant to the royalty arrangement as noted above.

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 straight line method at various rates ranging from 10% to 50% 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.

(h) 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 profit or loss for the period.

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.

(i) Leases

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 ("ROU 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:

- 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 8).

(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(c)). 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.

Equity-settled share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Group obtains the goods or the counterparty renders the service.

Deferred Share Unit ("DSU") Plan

The Group has a DSU plan for its non-executive directors (note 6(d)). The Group determines whether to account for DSUs as equity-settled or cash-settled based on who determines settlement and past practice. 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 if deemed cash-settled at grant date.

The fair value is estimated by multiplying the number of DSUs with 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 the DSUs 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 who determines settlement and past practice. 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 if deemed cash-settled at grant date.

The fair value is estimated by multiplying the number of RSUs with the TSX 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 TSX quoted market price of the Company's common shares.

No RSUs have been issued or are outstanding in the years presented.

(l) Income Taxes

Income tax on the profit or loss for the years presented consists of 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. The Group has posted two bonds with the Alaskan regulatory authorities as performance guarantees for any potential reclamation liability incurred as a condition for: (i) the issue of the Miscellaneous Land Use Permit at the Pebble Project (note 5(b)), and (ii) the granting of a pipeline right-of-way (note 14(c)).

(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 Judgements

The preparation of these Financial Statements requires management to make certain estimates, judgements 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 granted during the year. The fair value calculated is used to determine share-based compensation that is included 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.

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 judgements

These include:

1. The Group used judgement in concluding that no impairment indicators exist in relation to the Pebble Project, notwithstanding the receipt of the ROD denial of the permit by the USACE for the Pebble Project and the final determination issued by the EPA that prohibits the disposal of dredged or fill material for the Pebble Project, both of which may be considered an indicator under IFRS 6, *Exploration for and Evaluation of Mineral Resources* , for testing for impairment. Key to the Group's judgement conclusion is that it has submitted an administrative appeal with the USACE, which has been accepted as complete and is currently running its course, and the Group is pursuing other options available to it. With respect to the issue of the final determination, the Group has legal avenues to pursue to contest this determination. Additionally, the Company's market capitalization at December 31, 2022, and the date the Financial Statements were authorized for issuance, exceeded the carrying value of the Pebble Project and the Group's net asset value.

2. The Group used judgement that going concern is an appropriate basis for the preparation of the Financial Statements, as the Group considered existing 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).

3. The Group used judgement in assessing the appropriate accounting treatment for the transaction relating to a long-term royalty arrangement linked to production at the Pebble Project (note 3). The Group considered the substance of the agreement to determine whether the Group has disposed of an interest in the reserves and resources of the Pebble Project. This assessment considered the stage of development of the Pebble Project, the legal rights the counterparty has in the event of bankruptcy, as well as what the counterparty is entitled to and the associated risks and rewards attributable to them over the life of the mine at the Pebble Project. The Group also determined that the proceeds received was a recovery of mineral property costs with no gain or loss being recorded.

4. 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 judgement 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.

5. 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 term for a lease, the Group considered the right of either the lessee or 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.

(q) Recent Accounting Pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB. The following was adopted by the Group on January 1, 2022:

- IAS 16, *Property Plant and Equipment* ("IAS 16"): Amendments to IAS 16 require the net proceeds from selling any items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management together with the cost of producing these items, to be recognized in profit and loss. The adoption of these amendments did not impact the Financial Statements.

The following has not yet been adopted by the Group:

- IAS 1, *Presentation of Financial Statements* ("IAS 1") and IFRS Practice Statement 2, *Making Materiality Judgements - Disclosure of Accounting Policies* (the "Practice Statement"): In February 2021, the IASB issued amendments to IAS 1 and the Practice Statement to provide guidance on the application of materiality judgments to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Guidance and illustrative examples are added in the Practice Statement to assist in the application of materiality concept when making judgments about accounting policy disclosures. The amendments are effective January 1, 2023, with early adoption permitted. Prospective application is required on adoption. The Company does not expect these amendments to have a material effect on its consolidated financial statements.

- IAS 1, *Classification of Debt with Covenants as Current or Non-current*: In October 2022, the IASB issued amendments to IAS 1 titled "*Non-current Liabilities with Covenants*". These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, *Classification of Debt as Current or Non-current*, issued in January 2020, which clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if an entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. The Group does not expect these amendments to have a material effect on its consolidated financial statements.

- IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* ("IAS 8"): In February 2021, the IASB issued amendments to IAS 8 – *Definition of Accounting Estimates* to help entities to distinguish between accounting policies and accounting estimates. The amendments clarify that accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty" and that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. The amendments are effective January 1, 2023. Earlier application is permitted. The Group does not expect these amendments to have a material effect on its consolidated financial statements.

3. MINERAL PROPERTY, PLANT AND EQUIPMENT

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

Year ended December 31, 2022	Mineral Property Interest [1]	Plant and Equipment [3]	Total
Cost			
Beginning Balance	$ 112,541	$ 2,412	$ 114,953
Addition	–	31	31
Disposal of plant and equipment	–	(8)	(8)
Disposal of mineral property interest [2]	(15,463)	–	(15,463)
Ending balance	97,078	2,435	99,513
Accumulated depreciation			
Beginning Balance	–	(1,877)	(1,877)
Depreciation charge for the year [4]	–	(260)	(260)
Derecognition on disposal of plant and equipment	–	8	8
Ending balance	–	(2,129)	(2,129)
Foreign currency translation difference			
Beginning Balance	21,079	184	21,263
Movement for the year	8,843	41	8,884
Ending balance	29,922	225	30,147
Net carrying value – December 31, 2022	$ 127,000	$ 531	$ 127,531

Year ended December 31, 2021	Mineral Property Interest [1]	Plant and Equipment [3]	Total
Cost			
Beginning Balance	$ 112,541	$ 3,018	$ 115,559
Addition	–	277	277
Disposal [3]	–	(29)	(29)
Derecognition of ROU assets [5]	–	(617)	(617)
Modification of lease terms	–	(237)	(237)
Ending balance	112,541	2,412	114,953
Accumulated depreciation			
Beginning Balance	–	(2,148)	(2,148)
Depreciation charge for the year [4]	–	(329)	(329)
Derecognition of ROU Assets [5]	–	577	577
Derecognition on disposal [3]	–	23	23
Ending balance	–	(1,877)	(1,877)
Foreign currency translation difference			
Beginning Balance	22,083	152	22,235
Movement from derecognition of ROU Assets	–	40	40
Movement for the year	(1,004)	(8)	(1,012)
Ending balance	21,079	184	21,263
Net carrying value – December 31, 2021	$ 133,620	$ 719	$ 134,339

Notes to tables:

1. *Mineral Property Interest*

   Comprises the Pebble Project, a contiguous block of 1,840 mineral claims covering approximately 274 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. *Disposal of Mineral Property Interest - Royalty Arrangement*

   On July 26, 2022, the Group announced that it had entered into an agreement (the "Agreement") with an investor (the "Royalty Holder") to receive up to US$60 million over the next two years, in return for the right to receive a portion of the future gold and silver production from the Pebble Project for the life of the mine (see further below). The Group received an initial non-refundable payment of US$12 million from the Royalty Holder concurrently with the execution of the Agreement.

   Per the terms of the Agreement, the Royalty Holder made the initial payment of US$ 12 million in exchange for the right to receive 2% of the payable gold production and 6% of the payable silver production from the Pebble Project, in each case after accounting for a notional payment by the Royalty Holder of US$1,500.00 per ounce of gold and US$10.00 per ounce of silver, respectively, for the life of the mine. If, in the future, spot prices exceed US$4,000.00 per ounce of gold or US$50.00 per ounce of silver, then the Group will share in 20% of the excess price for either metal. Additionally, the Group will retain a portion of the metal produced for recovery rates in excess of 60% for gold and 65% for silver. Pursuant to the terms of the Agreement, the Group settles its obligations by delivery of physical gold and silver production from the Pebble Project.

The Royalty Holder has the right but is under no obligation to invest additional non-refundable amounts, in US$ 12 million increments, to an aggregate total of US$60 million, within two years of the date of the Agreement, in return for the right to receive up to 10% of the payable gold and up to 30% of the payable silver (in each case, in the aggregate) on the same terms as the first tranche.

Based on the contractual terms of the Agreement, as well as the Group's specific facts and circumstances, the Group accounted for the first tranche of US$12 million ($15.5 million) as a partial sale of mineral property interest. The Agreement provides the Royalty Holder with rights similar to ownership of an undivided interest in the Pebble Project. The consideration received has been recorded as a recovery of mineral property costs and no gain or loss was recognized on the transaction.

3. *Plant and equipment includes Right-of-Use Assets ("ROU Assets")*

ROU Assets, which relate to the use of office space, office equipment and, yard storage are included under Plant and equipment. The following comprises ROU Assets:

Year ended December 31, 2022	**Land and Buildings**	**Equipment**	**Total**
Cost			
Beginning balance	$ 1,014	$ 32	$ 1,046
Addition	10	–	10
Ending balance	1,024	32	1,056
Accumulated depreciation			
Beginning balance	(370)	(20)	(390)
Depreciation charge for the year [4]	(140)	(10)	(150)
Ending balance	(510)	(30)	(540)
Foreign currency translation difference			
Beginning balance	(36)	(1)	(37)
Movement for the year	38	–	38
Ending balance	2	(1)	1
Net carrying value – December 31, 2022	$ 516	$ 1	$ 517

Year ended December 31, 2021	Land and Buildings	Equipment	Total
Cost			
Beginning balance	$ 1,591	$ 53	$ 1,644
Addition	277	–	277
Disposal	–	(21)	(21)
Derecognition [5]	(617)	–	(617)
Modification of lease terms	(237)	–	(237)
Ending balance	1,014	32	1,046
Accumulated depreciation			
Beginning balance	(723)	(26)	(749)
Depreciation charge for the year [4]	(224)	(11)	(235)
Derecognition [5]	577	–	577
Derecognition on disposal	–	17	17
Ending balance	(370)	(20)	(390)
Foreign currency translation difference			
Beginning balance	(69)	(1)	(70)
Movement from derecognition	40	–	40
Movement for the year	(7)	–	(7)
Ending balance	(36)	(1)	(37)
Net carrying value – December 31, 2021	$ 608	$ 11	$ 619

4. For the year ended December 31, 2022, ROU Asset depreciation of $ 104 (2021 – $192) is included in general and administrative expenses (note 9(b)). The remainder is included in exploration and evaluation expenses.

5. The cost and accumulated depreciation for ROU assets have been restated for the derecognition of office space that the Group vacated during the year ended December 31, 2021. There was no change to the net carrying value of ROU assets reported and there was no impact to the statement of comprehensive loss.

4. AMOUNTS RECEIVABLE AND PREPAID EXPENSES

	December 31 2022	December 31 2021
Sales tax receivable	$ 66	$ 79
Deferred At-the-Market Offering costs [1]	–	352
Interest, refundable deposits and other receivables	64	85
Prepaid expenses [2]	2,532	1,351
Total	$ 2,662	$ 1,867

Notes to table:

1. At December 31, 2021, these costs were still to be allocated to shares sold under the At-the-Market ("ATM") Agreement based on the dollar amount as a percentage of the total dollar amount available under the ATM Agreement. The Group expensed these costs on the basis that no further issuances occurred prior to the expiry of the base shelf prospectus that supported the ATM offering.

2. Includes prepaid insurance, which is amortized over the insurance term.

5. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

(a) Cash and cash equivalents

The Group's cash and cash equivalents at December 31, 2022 and December 31, 2021, consisted of cash on hand and was invested in business and savings accounts.

(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 a US$2,000 surety bond that was placed 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. 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, 2022, $10 was recognized (2021 – nominal income), which was re-invested.

6. CAPITAL AND RESERVES

(a) Authorized Share Capital

At December 31, 2022 and 2021, authorized share capital consisted of an unlimited number of common shares ("Shares") with no par value. At December 31, 2022, 529,779,388 (2021 – 529,779,388) Shares were issued and fully paid.

(b) 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, 2022 and 2021 respectively:

Continuity	Cannon Point options [1]	warrants [2]	Total
Balance January 1, 2021	211,500	17,713,265	17,924,765
Exercised	(117,500)	(14,318,452)	(14,435,952)
Expired	–	(3,394,813)	(3,394,813)
Balance December 31, 2021	94,000	–	94,000
Expired	(56,400)	–	(56,400)
Balance December 31, 2022	37,600	–	37,600

	Cannon Point options	Total
December 31, 2022		
Exercise price	$ 0.29	$ 0.29
Remaining life in years	1.94	1.94
December 31, 2021		
Exercise price	$ 0.36	$ 0.36
Remaining life in years	1.74	1.74

Notes to tables:

1. The Group issued options in exchange for those which were outstanding in Cannon Point Resources Ltd. ("Cannon Point") on the acquisition of the company in October 2015.

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.

(c) 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 "2021 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 8% of the Company's outstanding Shares, calculated from time to time. Pursuant to the 2021 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 reconciles the Group's share purchase options ("options") issued and outstanding pursuant to the Group's incentive plan for the year ended December 31, 2022 and 2021:

Continuity of options	Number of options	Weighted average exercise price ($/option)
Balance January 1, 2021	28,481,500	1.20
Exercised	(5,084,000)	0.51
Expired	(2,572,000)	0.61
Balance December 31, 2021	20,825,500	1.45
Expired	(4,386,000)	1.75
Granted [1]	11,254,000	0.41
Balance December 31, 2022	27,693,500	0.98

Note to table:

1. The weighted average fair value for options granted during the year was estimated at $ 0.29 per option, using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate of 3.07%, expected life of 5 years, expected volatility of 99.02% (based on the historical and implied volatility of the Company's share price on the TSX), share price of $0.39 on grant date and expected dividend yield of nil.

For the year ended December 31, 2022, the Group recognized share-based compensation ("SBC") of $ 2,277 (2021 – $2,846) for options in the statement of comprehensive loss.

The following table summarizes information on options outstanding as at the reported dates:

	December 31, 2022			December 31, 2021		
Exercise prices ($)	Number of options outstanding	Number of options exercisable	Weighted Average Remaining contractual life (years)	Number of options outstanding	Number of options exercisable	Weighted Average Remaining contractual life (years)
0.41	11,254,000	5,627,000	4.63	–	–	–
0.76	3,300,000	3,300,000	0.61	3,300,000	3,300,000	1.61
0.99	6,368,500	6,368,500	1.74	6,368,500	6,368,500	2.74
1.75	–	–	–	4,386,000	4,386,000	0.57
2.01	6,696,000	6,696,000	2.55	6,696,000	6,696,000	3.55
2.34	75,000	75,000	0.58	75,000	75,000	1.58
Total	27,693,500	22,066,500		20,825,500	20,825,500	

The weighted average contractual life for options outstanding was 2.97 (December 31, 2021 – 2.36) years per option. The weighted average contractual life and exercise price for exercisable options as at December 31, 2022 was 2.55 (December 31, 2021 – 2.36) years and $1.12 (December 31, 2021 – $1.45) per option.

(d) Deferred Share Units ("DSUs")

The Group has a DSU plan approved by the Group's shareholders, 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 1% 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 the Group's option and restricted share unit plans) exceeding 8% 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.

The following reconciles DSUs outstanding for the year ended December 31, 2022 and 2021:

Continuity of DSUs	**Number of** DSUs	**Weighted average** fair value ($/DSU)
Balance January 1, 2021	458,129	0.69
Granted	19,582	0.60
Balance December 31, 2021	477,711	0.69
Granted	61,575	0.39
Balance December 31, 2022	539,286	0.65

SBC of $24 (2021 – $12) was recognized on grant date in the statement of comprehensive loss, based on the aggregate market value of shares on grant date, with a corresponding increase in the equity-settled share payment reserve in equity.

(e) Foreign Currency Translation Reserve

Continuity	
Balance January 1, 2021	$ 29,661
Loss on translation of foreign subsidiaries	(903)
Balance December 31, 2021	28,758
Gain on translation of foreign subsidiaries	9,299
Balance December 31, 2022	$ 38,057

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

7. RELATED PARTY BALANCES AND TRANSACTIONS

The components of transactions to related parties is as follows:

Payables to related parties	**December 31 2022**	December 31 2021
Key management personnel ("KMP")(a)	$ 35	$ 35
Hunter Dickinson Services Inc. ("HDSI")(b)	202	341
Total payables to related parties	$ 237	$ 376

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

(a) Transactions and Balances with Key Management Personnel

The aggregate value of transactions with KMP, being the Group's directors, including Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Company Secretary, Executive Vice President ("EVP"), Environment and Sustainability, Vice President ("VP"), Corporate Communications, VP, Engineering and VP, Public Affairs (until August 31, 2021), and Pebble Partnership ("PLP") senior management including the Interim PLP CEO and Chair of Pebble Mines Corp ("PMC Chair"), Executive VP ("EVP"), Public Affairs, Senior VP ("SVP"), Corporate Affairs, SVP Engineering (until February 28, 2021), VP, Permitting, and Chief of Staff (until February 19, 2021), was as follows for the year ended December 31, 2022 and 2021:

Transaction	**2022**	2021
Compensation		
Amounts paid and payable to HDSI for services of KMP employed by HDSI [1]	$ 2,499	$ 2,882
Amounts paid and payable to KMP [2]	1,913	2,624
	4,412	5,506
Share-based compensation [3]	1,441	1,854
Total compensation	$ 5,853	$ 7,360

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 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 senior management noted above. The SVP Engineering was employed by the Group through a wholly-owned US subsidiary of HDSI ("HDUS") until the end of February 2021. The Group reimbursed HDUS for costs incurred.

3. SBC relates to options issued and/or vesting and DSUs granted during the respective periods (notes 6(b)-(d)).

Proceeds from Options Exercised

In the year ended December 31, 2022, no KMP options were exercised (2021 – 3,717,000 KMP options exercised at a weighted average exercise price of $0.49 per option, and a weighted average market price on exercise of $ 0.73 per option for proceeds to the Group of $1,824).

(b) Transactions and Balances with other Related Parties

HDSI 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, 2022 and 2021, transactions with HDSI were as follows:

Transactions	**2022**	2021
Services rendered by HDSI:		
Technical [1]		
Engineering	$ 372	$ 735
Environmental	508	434
Socioeconomic	–	285
Other technical services	44	154
	924	1,608
General and administrative		
Management, consulting, corporate communications, secretarial, financial and administration	2,223	3,029
Shareholder communication	727	721
	2,950	3,750
Total for services rendered	3,874	5,358
Reimbursement of third party expenses		
Conferences and travel	124	49
Insurance	48	71
Office supplies and information technology [2]	532	502
Total reimbursed	704	622
Total	$ 4,578	$ 5,980

Notes to table:

1. Included in exploration and evaluation expenses.

2. Includes payments made for the use of offices and shared space of $ 151 (2021 - $106). In April 2021, the Company signed an office use agreement effective May 1, 2021, for a five-year term ending April 29, 2026. As of December 31, 2022, the remaining undiscounted commitment was $343.

Pursuant to an addendum to the management services agreement between HDSI and the Company, following a change of control, the Company is subject to termination payments if the management services agreement is terminated. The Company will be required to pay HDSI $2,800 and an aggregate amount equal to six months of annual salaries payable to certain individual service providers under the management services agreement and their respective employment agreements with HDSI.

8. TRADE AND OTHER PAYABLES

Current liabilities	December 31 2022	December 31 2021
Falling due within the year		
Trade	$ 1,683	$ 1,922
Lease liabilities [1]	150	126
Total	$ 1,833	$ 2,048
Non-current liabilities		
Trade [2]	$ –	$ 804
Lease liabilities [1]	463	561
Total	$ 463	$ 1,365

Notes to table:

1. Lease liabilities relate to lease of offices, equipment and yard storage, which have remaining lease terms of 19 to 89 months and interest rates of 9.5% – 12% over the term of the leases. The following summarizes lease liabilities for the year ended December 31, 2022 and 2021:

Lease liabilities	2022	2021
Beginning balance	$ 687	$ 916
Interest expense	67	67
Effect of modification to lease term	–	(284)
Lease payments	(196)	(267)
Lease recognition	10	268
Lease settlement	–	(5)
Foreign currency translation difference	45	(8)
Ending balance	613	687
Current portion	150	126
Non-current portion	463	561
Total	$ 613	$ 687

The following table provides the schedule of undiscounted lease liabilities as at December 31, 2022:

	Total
Less than one year	$ 204
One to five years	480
Later than 5 years	118
Total undiscounted lease liabilities	$ 802

The Group had short-term lease commitments of less than a year relating to a property lease totaling $50 as of January 1, 2022. During the year ended December 31, 2022, the Group incurred short-term lease commitments of $157 (2021 – $147), and expensed $158 (2021 – $190).

2. At December 31, 2021, related to fees due to legal counsel of US$ 635 which is only payable on completion of a transaction that secures a partner for the Pebble Partnership. As the timing and outcome of such a transaction remains uncertain, the Group has derecognized the payable in 2022 and has disclosed these fees as a contingent payable (note 14(g)).

9. EXPLORATION AND EVALUATION AND GENERAL AND ADMINISTRATIVE EXPENSES

(a) Exploration and Evaluation Expenses ("E&E")

For the year ended December 31, 2022 and 2021, E&E consisted of the following:

E&E		**2022**		2021
Engineering	$	1,390	$	3,860
Environmental		2,187		2,237
Property fees		1,194		1,150
Site activities		1,565		2,089
Socio-economic		2,242		2,403
Transportation		620		523
Other activities and travel		71		173
Total	$	9,269	$	12,435

(b) General and Administrative Expenses ("G&A")

For the year ended December 31, 2022 and 2021, G&A consisted of the following:

G&A		**2022**		2021
Conference and travel	$	248	$	131
Consulting		651		1,902
Depreciation of right-of-use assets		104		192
Insurance		2,422		1,502
Office costs, including information technology		769		815
Management and administration		3,130		3,891
Shareholder communication		1,276		1,309
Trust and filing		426		249
Total	$	9,026	$	9,991

10. EMPLOYMENT COSTS

For the year ended December 31, 2022 and 2021, the Group recorded the following:

	2022	2021
Exploration and evaluation		
Salaries and benefits	$ 2,267	$ 2,907
Amounts paid for services by HDSI personnel (note 7(b))	923	1,508
	3,190	4,415
General and administrative		
Salaries and benefits	1,407	1,418
Amounts paid for services by HDSI personnel (note 7(b))	2,433	2,764
	3,840	4,182
Share-based payments	2,301	2,858
	$ 9,331	$ 11,455

11. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended December 31, 2022 and 2021 was based on the following:

	2022	2021
Loss attributable to shareholders	$ 24,442	$ 31,542
Weighted average number of shares outstanding (000s)	529,779	521,459

For the year ended December 31, 2022 and 2021, basic and diluted loss per share does not include the effect of employee share purchase options outstanding (2022 –27,693,500, 2021 – 20,825,500), non-employee share purchase options and warrants (2022 – 37,600, 2021 – 94,000) and DSUs (2022 – 539,286, 2021 – 477,711), as they were anti-dilutive.

12. INCOME TAX

	Year ended December 31	
Reconciliation of effective tax rate	**2022**	2021
Net loss	$ (24.442)	$ (31,542)
Total income tax expense	107	-
Loss excluding income tax	(24,335)	(31,542)
Income tax recovery using the Company's domestic tax rate	(6,570)	(8,516)
Non-deductible expenses and other	631	764
Change in tax rates	-	-
Deferred income tax assets not recognized	5,832	7,752
	$ (107)	$ -

The Company's domestic tax rate for the year was 27% (2021 – 27%).

Deferred income tax assets (liabilities)	December 31 2022	December 31 2021
Tax losses	$ 2,167	$ 2,451
Net deferred income tax assets	2,167	2,451
Resource property/investment in Pebble Partnership	(2,167)	(2,451)
Equipment	–	–
Net deferred income tax liability	$ –	$ –

The Group had the following temporary differences at December 31, 2022, in respect of which no deferred tax asset has been recognized:

Expiry	Tax losses	Resource pools	Other
Within one year	$ –	$ –	$ –
One to five years	–	–	3,059
After five years	320,663	–	–
No expiry date	38,643	93,688	190
Total	$ 359,306	$ 93,688	$ 3,249

The Group has net operating tax losses in the US totalling $ 38.6 million that can be only utilized to a maximum of 80% of taxable income.

The Group has taxable temporary differences in relation to investments in foreign subsidiaries or branches of $ 7.6 million (2021 – $8.6 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.

13. 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:

(a) 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 in the table below exclude receivable balances with government agencies (note 4). The Group's maximum exposure was as follows:

Exposure	**December 31 2022**	December 31 2021
Amounts receivable	$ 64	$ 85
Restricted cash	852	785
Cash and cash equivalents	14,173	22,291
Total exposure	$ 15,089	$ 23,161

(b) 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. However, the Group has noted material uncertainty that raises substantial doubt about the Group's ability to continue as a going concern notwithstanding the Group having positive working capital (note 1) as demands may exceed existing resources, and that it has been successful in the past in raising funds when needed. 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 8) and payables to related parties (note 7), 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.

(c) 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 these 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 was as follows:

	December 31 2022	December 31 2021
Financial assets:		
Amounts receivable	$ 108	$ 168
Cash and cash equivalents and restricted cash	7,347	5,433
	7,455	5,601
Financial liabilities:		
Non-current trade payables	(463)	(1,365)
Current trade and other payables	(1,383)	(1,670)
Payables to related parties	(71)	(190)
	(1,917)	(3,225)
Net financial assets exposed to foreign currency risk	$ 5,538	$ 2,376

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 $554 (2021 – $238) in the reported period. This sensitivity analysis includes only outstanding foreign currency denominated monetary items.

(d) 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 $182 (2021 – $324).

(e) 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 period. The Group is not subject to any externally imposed capital requirements.

(f) 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.

14. COMMITMENTS AND CONTINGENCIES

(a) Legal Proceedings

Class Action Litigation following the USACE's Record of Decision

On December 4 and December 17, 2020, separate putative shareholder class action lawsuits were filed against the Company and certain of its current and former officers and directors in the U.S. District Court for the Eastern District of New York (Brooklyn) regarding the drop in the price of the Company's stock following the ROD by the USACE regarding the Pebble Project. These cases are captioned *Darish v. Northern Dynasty Minerals Ltd. et al* ., Case No. 1:20-cv-05917-ENV-RLM, and *Hymowitz v. Northern Dynasty Minerals Ltd. et al.*, Case No. 1:20-cv-06126-PKC-RLM. Each of the complaints was filed on behalf of a purported class of investors who purchased shares of the Company's stock from December 21, 2017, through November 25, 2020, the date the USACE announced its decision, and seeks damages allegedly caused by violations of the federal securities laws. On March 17, 2021, the two cases were consolidated and a lead plaintiff and counsel were appointed. A consolidated and amended complaint was filed in June 2021, naming the Company, the Company's CEO and the Pebble Partnership's former CEO as defendants. The Company filed a motion to dismiss the complaint on behalf of all defendants, which the Court denied on January 25, 2023. The Company will continue to defend its interests in the litigation, which is expected to proceed into the discovery phase and forthcoming motion practice on whether a class should be certified
.

On December 3, 2020, a putative shareholder class action lawsuit was filed against the Company, certain of its current and former officers and directors, and one of its underwriters in the Supreme Court of British Columbia regarding the decrease in the price of the Company's stock following the USACE's November 25, 2020, decision regarding the Pebble Project. The case is captioned *Haddad v. Northern Dynasty Minerals Ltd. et al.,* Case No. VLC-S-S-2012849. The claim was filed on behalf of a purported class of investors, wherever they may reside, who acquired common shares of the Company's stock between December 21, 2017, and November 25, 2020, and seeks damages for (i) alleged misrepresentations in the Company's primary market offering documents and continuous disclosure documents, and (ii) its allegedly oppressive conduct. The Company has been served the claim and intends to defend itself vigorously. The underwriter has asserted contractual rights of indemnification against the Company for any loss that the underwriter may incur in connection with the lawsuit. On April 20, 2022, the putative plaintiff filed and subsequently served an application to amend his pleadings to harmonize with the pleadings in the Woo case described below, add Mr. Woo as a plaintiff, and add new underwriter defendants. Also on April 20, 2022, the putative plaintiff filed and subsequently served an application for leave to commence a secondary market liability claim under s. 140.3 of the B.C. Securities Act, for an order certifying the action as a class action, and for related relief.

On February 17, 2021, a putative shareholder class action lawsuit was filed against the Company, certain of its current and former officers and directors, and certain of its underwriters in the Supreme Court of British Columbia regarding the decrease in the price of the Company's stock following (i) the USACE's August 24, 2020 announcement that the Pebble Project could not be permitted as proposed, and (ii) the USACE's November 25, 2020 decision regarding the Pebble Project. The case is captioned *Woo v. Northern Dynasty Minerals Ltd. et al.*, Case No. VLC-S-S-211530. The claim was filed on behalf of a purported class of investors, wherever they may reside, who purchased securities of the Company between June 25, 2020 and November 25, 2020, and seeks damages for (i) alleged misrepresentations in the Company's primary market offering documents and continuous disclosure documents, (ii) allegedly oppressive conduct, (iii) alleged unjust enrichment, and (iv) negligence. The Company has been served and intends to defend itself vigorously. The underwriters have asserted contractual rights of indemnification against the Company for any loss that they may incur in connection with the lawsuit.

On March 5, 2021, a putative shareholder class action lawsuit was filed against the Company, certain of its current and former officers and directors, and certain of its underwriters in the Ontario Superior Court of Justice regarding the decrease in the price of the Company's stock following the USACE's November 25, 2020 decision regarding the Pebble Project. The case is captioned *Pirzada v. Northern Dynasty Minerals Ltd. et al.*, Case No. CV-21-00658284-00CP. The claim was filed on behalf of a purported class of investors, wherever they may reside, who acquired securities of the Company between June 25, 2020 and November 25, 2020, and seeks damages for (i) alleged misrepresentations in the Company's primary market offering documents and continuous disclosure documents, (ii) allegedly oppressive conduct, and (iii) alleged negligence. On March 30, 2022, the plaintiff made a motion to discontinue the claim without costs and the court granted the discontinuance in April 2022.

Given the nature of the claims, it is not currently possible for the Company to predict the outcome nor practical to determine their possible financial effect.

Grand Jury Subpoena

On February 5, 2021, the Company announced that the Pebble Partnership and its former CEO, have each been served with a subpoena issued by the United States Attorney's Office for the District of Alaska to produce documents in connection with a grand jury investigation apparently involving previously disclosed recordings of private conversations regarding the Pebble Project. The Company is not aware of any civil or criminal charges having been filed against any entity or individual in this matter. The Company also self-reported this matter to the US Securities and Exchange Commission ("SEC"), and there is a related informal inquiry being conducted by the enforcement staff of the SEC's San Francisco Regional Office. The Company and the Pebble Partnership are cooperating with each of these investigations.

Indemnification Obligations

The Company is subject to certain indemnification obligations to both present and former officers and directors, including the Pebble Partnership's former CEO, in respect to the legal proceedings described above. These indemnification obligations will be subject to limitations prescribed by law and the articles of the Company, and may also be subject to contractual limitations.

(b) Short-term Lease Commitments

As of December 31, 2022, the Group has a short-term lease commitment of $ 55 (2021 – $50) with a fixed monthly payment over the remaining term.

(c) Pipeline Right-of-Way Bond Commitment

The Group has 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.

(d) Pebble Performance Dividend Commitment

The Group has a future commitment beginning at the outset of project construction at the Pebble Project to distribute cash generated from a 3% net profits royalty interest in the Pebble Project to adult residents of Bristol Bay villages that have subscribed as participants, with a guaranteed minimum aggregate annual payment of US$3,000 each year the Pebble mine operates.

(e) Sponsorship Commitment

The Group entered into a sponsorship agreement in December 2022 for an aggregate commitment of US$ 85 and includes the production of a research paper due in March 2023 and participation in a conference in the same period.

(f) Office Use Commitment

The Company has an office use agreement with HDSI (note 7(b)) ending April 29, 2026. At December 31, 2022 the total remaining undiscounted commitment was $343. This commitment is a flow through cost at market rates. The following table summarizes the commitment schedule:

		Total
Less than one year	$	99
One to five years		244
Total	$	343

(g) Contingent Legal Fees Payable

The Group has legal fees totalling US$ 635 payable to certain legal counsel on completion of a transaction that secures a partner for the Pebble Partnership.

EXHIBIT 99.3



MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2022

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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, 2022, 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 31, 2023.

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

Glossary

Abbreviations commonly used in this MD&A:	
2020 Mine Plan	The mine plan under the updated Project Description, as described in the final environmental impact statement for the Pebble Project *see Pebble EIS below*
2023 Technical Report	The NI 43-101 technical report entitled, *2023 Technical Report on the Pebble Project, Southwest Alaska, USA*, Effective Date: February 24, 2023, by J. David Gaunt, P.Geo., James Lang, P.Geo., Eric Titley, P.Geo., Hassan Ghaffari, P.Eng., Stephen Hodgson, P.Eng.
CWA	Clean Water Act
EIS	Environmental Impact Statement
EPA	U.S. Environmental Protection Agency
Final Determination	The final determination of the Regional Administrator of EPA Region 10 issued on January 30, 2023
NEPA	The United States National Environmental Policy Act
Original Proposed Determination	The original proposed determination of the EPA under Section 404(c) of the CWA in respect of the Pebble Project published in July 2014
Pebble Partnership	The Pebble Limited Partnership, an Alaskan registered limited partnership wholly owned by the Company
Pebble Deposit	The copper, gold, molybdenum, silver and rhenium mineral deposit located in southwest Alaska on the mining claims and leasehold interests of the Pebble Partnership
Pebble Project	The development of a mine producing copper, gold, molybdenum, silver and rhenium minerals from the Pebble Deposit
Project Description	The production plan and corresponding project configuration for the development of a mine at the Pebble Project, as presented in the June 2020 Revised Permit Application
Proposed Project	The development of the Pebble Project in accordance with the Project Description
Revised Proposed Determination	The revised proposed determination of the EPA under Section 404(c) of the CWA in respect of the Pebble Project published in May 2022
ROD	The Record of Decision issued by the USACE on November 20, 2020 denying the permit application of the Pebble Partnership under Section 404 of the CWA
Royalty Agreement	The royalty agreement dated July 26, 2022 between the Pebble Partnership, together with certain other wholly-owned subsidiaries of the Pebble Partnership, and the royalty holder (refer 1.2.3)
Royalty Holder	The holder of a royalty granted under the Royalty Agreement
SEC	The United States Securities and Exchange Commission.
USACE	U.S. Army Corps of Engineers

Forward Looking Statements

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:

- 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 success of our appeal of the ROD of the USACE denying the issuance of certain permits required for the Pebble Project, and the timing of a decision on this appeal;
- our ability to successfully obtain federal and state permits required for the Pebble Project, including under the CWA, the NEPA, and relevant legislation;
- our ability to successfully challenge the EPA's Final Determination;
- the outcome of the US government investigations involving the Company;
- our ability to successfully defend against purported class action lawsuits that have been commenced against the Company;
- our plan of operations, including our plans to carry out and finance exploration and development activities;
- our ability to raise capital for the exploration, permitting and development activities and meet our 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 the legal proceedings in which we are engaged;
- the contribution of the Pebble Project to the United States federal, state and regional economies;
- that any additional prepayment investments will be made in connection with our gold and silver production Royalty Agreement (as defined below) for the Pebble Project;
- the uncertainties with respect to the effects of COVID-19;
- uncertainties related to the conflict in Ukraine; 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 our appeal of the ROD with the USACE will be successful;
- 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 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 will be economically feasible based on a mine plan for which permitting can be secured;
- that we will be successful in challenging the EPA's Final Determination under the CWA;
- that the COVID-19 outbreak will not materially impact or delay our ability to obtain permitting for a mine at the Pebble Project;
- that the market prices of copper, gold, molybdenum, silver and rhenium 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 adequate financing 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:

- we may be unsuccessful in our appeal of the ROD with respect to the decision to deny the issuance of permits which we require to operate a mine at the Pebble Project, and the timing of a decision on the appeal is taking longer than anticipated and is uncertain;
- we may be unsuccessful in challenging the EPA's Final Determination under the CWA;
- our inability to ultimately obtain permitting for a mine at the Pebble Project;
- our 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;
- we may not be successful in defending shareholder securities litigation claims that have been filed against us in the U.S. and in Canada, and we may be obligated to indemnify our underwriters in addition to being subject to liabilities to the plaintiffs;
- the uncertainty of the outcome of current or future government investigations and inquiries, including but not limited to, matters before the U.S. Department of Justice, a federal grand jury in Alaska and the SEC;

- government efforts to curtail the COVID-19 pandemic may delay the Company in completion of its work relating to this permitting process;
- our ability to obtain funding for working capital and other corporate purposes associated with advancement of the Pebble Project;
- the Royalty Holder under our gold and silver production Royalty Agreement may not increase its investment;
- an inability to continue to fund exploration and development activities and other operating costs;
- our actual operating expenses may be higher than projected;
- the highly cyclical and speculative nature of the mineral resource exploration business;
- the technical uncertainties of the Pebble Project and the lack of established 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, silver and rhenium prices and share prices of mining companies;
- uncertainty related to the conflict in Ukraine;
- the impact of inflation on project costs and budgets for 2023 and beyond;
- stock market volatility resulting from rising interest rates and the impact on our ability to complete equity financings;
- 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 including but not limited to, the appeal of the ROD and any challenge of the EPA's Final Determination;
- the possible inability to insure our operations against all risks;
- the highly competitive nature of the mining business;
- the potential equity dilution to current shareholders due to future equity financings or from the exercise of outstanding share purchase options and warrants to purchase the Company's common shares; 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. See 1.15.5 Risk Factors and the risk factors and related discussions in the Company's annual information form for the year ended December 31, 2022 (the "**2022 AIF**").

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 2022 AIF and other continuous disclosure filings that are available on SEDAR at www.sedar.com, and the Company's Annual Report on Form 40-F filed with the SEC available at www.sec.gov.

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 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 *U.S. Securities Exchange Act of 1934* ("**The SEC Modernization Rules**"). 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 the mineral deposits in these categories will ever be converted into reserves.

In addition, Inferred Resources have a great amount of uncertainty as to their economic and legal feasibility. 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.

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 host the Pebble Copper-Gold-Molybdenum-Silver-Rhenium deposit, the basis of the Pebble Project (or **"Pebble**") in southwest Alaska, USA ("**U.S.**"). 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 the Pebble Mineral Resources[1] at a 0.30% copper equivalent cut-off grade comprises 6.5 billion tonnes in the combined **Measured and Indicated** categories at a grade of 0.40% copper, 0.34 g/t gold, 240 ppm molybdenum, 1.7 g/t silver and 0.41 ppm rhenium; and 4.5 billion tonnes in the **Inferred** category at a grade of 0.25% copper, 0.25 g/t gold, 226 ppm molybdenum, 1.2 g/t silver and 0.36 ppm rhenium.

Pebble's significant resource has the potential to provide significant quantities of copper, a commodity used extensively in green power and electrification technologies, including EVs. Pebble also contains a number of other important metals, including a globally significant resource of rhenium, which is used in jet engines and related military applications and as a catalyst in industrial applications for the production of such things as high octane, lead-free gasoline.

A July 2022 study by S&P Global, entitled ' *The Future of Copper: Will the looming supply gap short-circuit the energy transition?'* highlights the critical connection between electrification goals and the development of new resources of copper, like Pebble. The report was authored in response to the growing concern expressed by global authorities and governments that there are insufficient resources of copper to support the goal of Net-Zero Emissions by 2050, and concludes that "unless massive new supply [of copper] comes online in a timely way, the goal of Net-Zero Emissions by 2050 will be short-circuited and remain out of reach."[2] The report and the information on the S&P Global website regarding the report are not incorporated into this MD&A.

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[1] David Gaunt, P.Geo., a qualified person as defined under 43-101, who is not independent of Northern Dynasty, is responsible for the mineral resource estimate, effective date August 18, 2020.
The Measured and Indicated Resources include 527 Mt of Measured grading 0.65% CuEq (0.33% Cu, 0.35 g/t Au, 178 ppm Mo, 1.7 g/t Ag and 0.32 ppm Re) and 5,929 Mt of Indicated grading 0.77% CuEq (0.41% Cu, 0.34 g/t Au, 246 ppm Mo, 1.7 g/t Ag and 0.41 ppm Re).
Copper equivalent ("**CuEq**") calculations use metal prices: US$1.85/lb for Cu, US$902/oz for Au and US$12.50/lb for Mo, and recoveries: 85% Cu, 69.6% Au, and 77.8% Mo (Pebble West zone) and 89.3% Cu, 76.8% Au, 83.7% Mo (Pebble East zone). Contained metal calculations are based on 100% recoveries. A 0.30% CuEq cut-off is considered to be appropriate for porphyry deposit open pit mining operations in the Americas.
The mineral resource estimate is constrained by a conceptual pit shell that was developed using a Lerchs-Grossman algorithm and is based in the following parameters: 42 degree pit slope; metal prices and recoveries of US$1,540.00/oz and 61% Au, US$3.63/lb and 91% Cu, US$20.00/oz and 67% Ag and US$12.36/lb and 81% Mo, respectively; a mining cost of US$1.01/ton with a US$0.03/ton/bench increment and other costs (including processing, G&A and transport) of US$6.74/ton. 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 further information on analytical, QAQC and data verification, and the estimate, refer to the Company's 2022 AIF and the 2023 Technical Report on the Pebble Project, effective date February 24, 2023, by David Gaunt, P.Geo., James Lang, P.Geo., Eric Titley, P.Geo., Stephen Hodgson, P.Eng., and Hassan Ghaffari, P.Eng., ("**2023 Technical Report**") as filed under the Company's profile at www.sedar.com and www.sec.gov .
The mineral resource estimates contained herein have not been adjusted for any risk that the required environmental permits may not be obtained for the Pebble Project. The risk associated with the ability of the Pebble Project to obtain required environmental permits is a risk to the reasonable prospects for eventual economic extraction of the mineralisation and its classification as a mineral resource.

[2] *https://ihsmarkit.com/info/0722/futureofcopper.html*

Recent global events have demonstrated the fragility and insecurity of the global supply chain, and further underscored the need for the U.S. and other countries to achieve security over important commodities that are part of the energy transition. The Company believes the Pebble Project would help the U.S. to advance its stated goal of mineral security.

A CWA 404 Permit Application for the Pebble Project was submitted to the USACE by the Pebble Partnership in December 2017 and the federal permitting process was initiated in January 2018, led by the USACE. From that time to the ROD announcement by the USACE in November 2020, most of the activities of the Company, through the Pebble Partnership, were focused on support of this process and included ongoing technical studies, responses to requests for information, and stakeholder engagement and consultation. While this work continued post-receipt of the ROD, the focus through 2021, 2022, and is ongoing in 2023, has shifted to Pebble Partnership's appeal of the negative ROD by the USACE. The USACE completed the administrative record for the appeal and provided a copy to the Pebble Partnership in June 2021, following which the Pebble Partnership and its legal counsel reviewed the voluminous record for completeness and relevance to the USACE's permitting decision, and its sufficiency to support a fair, transparent and efficient review. In August 2021, the USACE informed the Pebble Partnership that a new Review Officer ("**RO**") had been appointed to lead the Pebble Project appeal. An appeal conference was held in July 2022. The timing for the final decision on the appeal remains uncertain. Refer to the discussions below under 1.2.1.3, CWA Permitting Process and 1.2.1.4, EPA Proposed and Final Determinations, for more details on the status of the Company's permitting process, including the appeal of the ROD and the description of the EPA's Final Determination.

In December 22, 2022, the Conservation Fund and Bristol Bay Heritage Land Trust [3] announced three conservation easements over 44,000 acres in Southwest Alaska. The land, owned by the Pedro Bay Corp., is located off the northeastern shores of Lake Iliamna, in an area where an access road from Cook Inlet to the Pebble mineral deposit had been proposed. This 'northern transportation route' or 'Alternative 3', is one of several proposed access roads that were reviewed during the Pebble EIS and was identified as the Least Environmentally Damaging Alternative ("**LEDPA**") during that process. The Pebble Partnership is evaluating the impact of this action.

The Company has updated its technical disclosure on the Pebble Project through the filing of the 2023 Technical Report on SEDAR. The 2023 Technical Report reflects recent events material to the Pebble Project, including the Final Determination. Information derived from the 2023 Technical Report is summarized under "Item 5.B – Description of Business – Technical Summary" in the Company's 2022 Annual Information Form which is filed on SEDAR. The 2023 Technical Report supersedes the Preliminary Economic Assessment Technical Report, effective date October 1, 2022 (the "2022 PEA"), which superseded the Preliminary Economic Assessment Technical Report, effective date September 9, 2021 (the "2021 PEA"), each of which has been filed on SEDAR and is no longer considered to be current. Accordingly, investors should not regard the results of the 2021 PEA or 2022 PEA as current or rely on these results.

Other Activities

In 2022, the Company through the Pebble Partnership completed a monitoring and maintenance program at the Pebble site, and the cleanup of a logistical storage area on the property that had been damaged by a wildfire - part of the broader wildfire activity that occurred in Alaska during the summer of 2022. Input, as required, was provided on the ongoing appeal of the ROD and a detailed response to the Revised Proposed Determination was developed and submitted. The Company also continued to maintain an active corporate presence in Alaska and Washington, D.C., to engage and consult with project stakeholders. Corporate activities were directed toward corporate reporting, investor relations and discussions directed toward securing a partner with which to advance the overall development of the project.

[3] www.adn.com/business-economy/2022/12/27/in-barrier-to-pebble-mine-alaska-native-corporation-and-groups-set-aside-land-for-conservation/

From 2001, when Northern Dynasty's involvement with the Pebble Project began, to December 31, 2022, a total of $1 billion (US$900 million) has been invested to advance the project.[4]

Plans For 2023

The Company plans to proceed with the preparation of a fully independent Preliminary Economic Assssessment (" **2023 PEA**"). The Company anticipates that the 2023 PEA will:

- be generally based on the project description set out in the 2021 PEA and the 2022 PEA;
- make express reference to both the current status of the appeal by the Pebble Partnership of the Record of Decision of the USACE and the issuance of the Final Determination by the EPA and Pebble Partnership's determination to challenge;
- include an independent resource estimate for the Pebble Project;
- include updated current estimates of the capital and operation costs for the Pebble Project from those reflected in the 2021 PEA and the 2022 PEA; and
- include the results of the economic analysis of the Pebble Project.

The Pebble Partnership staff will conduct a program of ongoing site maintenance, including a limited program of drill hole closures, and continue to maintain an active corporate presence in Alaska and Washington, D.C. to engage and consult with project stakeholders.

Corporate activities will focus on advancing the appeal of the ROD and challenging the Final Determination. Other activities will include raising capital, as necessary, to support the appeal and judicial review as well as corporate reporting, investor relations and discussions directed toward securing a partner with which to advance the overall development of the project.

Corporate

As at December 31, 2022, the Company had $14.2 million in cash and cash equivalents and working capital (current assets less current liabilities) of $14.8 million.

The Company has prioritized the allocation of its available financial resources to meet key corporate and Pebble Project expenditure requirements in the near term, including the funding of the appeal of the ROD and other matters addressed in 1.5.3 Plan of Operations. The Company will require additional funds to meet all its business objectives. Pursuant to the Royalty Agreement, the Company may receive four additional tranches of US$12 million each should the Royalty Holder exercise its right to purchase additional rights to future gold and silver production from the Pebble Project. However, there is no assurance that this will occur. The Company plans to conduct other financings, as necessary through any or a combination of debt and equity and/or contributions from possible new Pebble Project participants; however, there can be no assurance 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.

The Company announced on February 21, 2023 that Siri C. Genik joined the Company's Board of Directors.

Effective March 24, 2023, Isabel Satra was appointed as a director.

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[4] 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 technical and engineering studies that were completed during the period prior to December 2013 relating to mine-site and infrastructure development provide background support for management's current understanding of the most likely development scenarios for the Project. However, the scenarios evaluated during that period are not considered to be current. Accordingly, the Company is uncertain as to the extent to which 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.

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 125 miles from Bristol Bay, the site conditions are generally favorable for the mine site and infrastructure development.

1.2.1.1 Project Background and Status

The Pebble deposit was discovered in 1989 by a prior operator, which by 1997 had developed an initial outline of the deposit.

Northern Dynasty has been involved in the Pebble Project since 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. Several other occurrences of copper, gold and molybdenum have also been 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 completed in 2011 provided initial 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.

1.2.1.2 Project Description

Northern Dynasty, through Pebble Partnership, continued to advance engineering studies to refine the mine design and to support the EIS process. The results of this work were reported in updates to the Project Description.

During the permitting process, a number of transportation infrastructure routes and alternatives were assessed, and the USACE determined that the northern corridor route was the most appropriate LEDPA alternative. It is the Pebble Partnership's intent to undertake the actions necessary to acquire the rights to build and operate the most appropriate transportation and infrastructure corridor to allow the development of the State's and Pebble Partnership's mineral rights. Information on Right-of-Way agreements is provided in 1.2.1.6 Socioeconomic.

The final Pebble EIS analyzes the potential impacts of four action development alternatives, and a "No Action" alternative. The development option selected by USACE as the draft LEDPA is described in the June 2020 Project Description. It includes a proposed open-pit mining operation and associated ore processing facilities in southwest Alaska, an 82-mile road, pipeline and utilities corridor to a permanent, year-round port facility on Cook Inlet, a lightering location in Iniskin Bay, a 164-mile natural gas pipeline from existing energy infrastructure on the Kenai Peninsula to the Pebble mine site, a 270 MW natural gas-fired power plant at the mine site and smaller power generation facility at the port site.

Over 20 years of mining, the Pebble Project as proposed will extract approximately 70 million tons of mineralized material annually at the extremely low strip ratio of 0.12:1. A conventional blast-haul-crush and froth flotation milling process with nameplate capacity of 180,000 tons per day will be employed to produce, on average, 613,000 tons of copper-gold concentrate each year (containing 318 million lb Cu, 362,000 oz Au and 1.8 million oz Ag) and 15,000 tons of molybdenum concentrate (containing 14 million lb Mo). The current mine plan proposal encompasses the important environmental safeguards previously described, including:

- a smaller footprint, consolidating major site infrastructure in a single drainage.
- 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 secondary gold recovery plant.

The proposed project seeks to develop 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 further comprehensive EIS review process under NEPA. During the NEPA process, the Pebble Partnership received a Request for Information ("**RFI**") from USACE for a description of a concept for an expanded Project. The Pebble Partnership prepared the description in response to the RFI and this response is included in the EIS Administrative Record.

1.2.1.3 CWA Permitting Process

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

- In January 2018, the Pebble Partnership received notice from USACE that the CWA Act 404 permitting documentation was accepted and that an EIS would be required to comply with its NEPA review of the Pebble Project;
- 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 CWA 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, which included a 90-day public comment period. The Scoping Document was released on August 31, 2018;
- On February 20, 2019, USACE posted the draft EIS on its website, then initiated a public comment process on the draft EIS, which was completed on July 2, 2019;
- In February 2020, a preliminary version of the final EIS was distributed for comment and review to cooperating agencies and to tribes participating in the process;

- In March 2020, USACE announced it had decided on a Northern Transportation Route option as the draft LEDPA for accessing the proposed Pebble mine site, subsequent to which the Pebble Partnership revised its Proposed Project Description to align with the USACE selection. The Northern Transportation Route includes adjustments to the port site (location at Diamond Point with off-shore lightering station) and a road and pipeline route (located further to the north with no lake crossings or ferry terminals);

- In May 2020, the EPA issued a letter confirming the EPA's decision not to pursue so-called 3(b) elevation under the CWA 404(q) guidelines; and

- On July 24, 2020, the USACE posted the final Pebble EIS on its website.

Publication of the final Pebble EIS in July 2020 followed 2½ years of intensive review by the USACE and eight federal cooperating agencies (including the US Environmental Protection Agency and US Fish & Wildlife Service), three state cooperating agencies (including Alaska Department of Natural Resources and Alaska Department of Environmental Conservation), the Lake & Peninsula Borough and federally recognized tribes. The final Pebble EIS was viewed by the Company as positive in that it found impacts to fish and wildlife would not be expected to affect harvest levels, there would be no measurable change to the commercial fishing industry including prices and there would be a number of positive socioeconomic impacts on local communities.

After consultation with the USACE, a compensatory Mitigation Plan was submitted to the USACE on November 4, 2020. Further details can be found in the Company's 2022 Annual Information Form.
On November 25, 2020, the USACE issued the ROD. The ROD rejected the compensatory mitigation plan as "noncompliant" and determined the Pebble Project would cause "significant degradation" and was contrary to the public interest. Based on this finding, the USACE rejected Pebble Partnership's permit application under the CWA.

The Pebble Partnership submitted a request for appeal of the ROD (the "**RFA**") to the USACE Pacific Ocean Division on January 19, 2021. The RFA reflects the Pebble Partnership's position that the USACE's ROD and permitting decision are contrary to law, unprecedented in Alaska, and fundamentally unsupported by the administrative record, including the Pebble Project EIS. The specific reasons for appeal asserted by the Pebble Partnership in the RFA include (i) the finding of "significant degradation" by the USACE is contrary to law and unsupported by the record, (ii) the USACE's rejection of the Pebble Partnership's compensatory mitigation plan is contrary to USACE regulations and guidance, including the failure to provide the Pebble Partnership with an opportunity to correct the alleged deficiencies, and (iii) the determination by the USACE that the Pebble Project is not in the public interest is contrary to law and unsupported by the public record.

On January 22, 2021, the State of Alaska, acting in its role as owner of the Pebble lands and subsurface mineral estate, announced that it had also filed a request for appeal. That appeal was rejected on the basis that the State did not have standing to pursue an administrative appeal with the USACE.

In a letter dated February 24, 2021, the USACE confirmed the Pebble Partnership's RFA is "complete and meets the criteria for appeal." The timing for the final decision remains uncertain. There is no assurance that the Company's appeal of the ROD will be successful or that the required permits for the Pebble Project will ultimately be issued. The permits are required in order that the Pebble Project can be developed as proposed by the Company. If the Pebble Partnership's administrative appeal of the ROD is successful, then we anticipate that the permitting decision would be remanded back to the USACE's Alaska District in order that the permitting process would then continue based on the administrative record and the findings and determinations made by the USACE Pacific Division in its appeal decision. There is no assurance that a successful appeal will ultimately result in the issuance of a positive ROD by the USACE Alaska District. If the Pebble Partnership's administrative appeal is not successful, the Company may seek judicial review of the ROD in the appropriate US District Court. There is no assurance that any judicial review would be successful in overturning an unsuccessful appellate decision.

1.2.1.4 EPA Proposed and Final Determinations

In February 2014, the EPA announced a pre-emptive regulatory action under Section 404(c) of the CWA to consider restriction or a prohibition of mining activities associated with the Pebble Deposit, referred to as the Original Proposed Determination. From 2014-2017, Northern Dynasty and the Pebble Partnership focused on a multi-dimensional strategy, including legal and other initiatives to ward off the Original Proposed Determination. These efforts were successful, resulting in the joint settlement agreement announced on May 12, 2017, enabling the Pebble Project to move forward with state and federal permitting. As part of the joint settlement agreement, the EPA agreed to initiate a process that led to the withdrawal of the Original Proposed Determination in July 2019.

On September 9, 2021, the EPA announced it planned to re-initiate its Revised Proposed Determination process of making a CWA Section 404(c) determination for the waters of Bristol Bay, which would set aside the 2019 withdrawal of the Original Proposed Determination that was based on a 2017 settlement agreement between the EPA and Pebble Partnership. The Company believes the results of the Pebble EIS support the 2019 withdrawal. As part of its review process, the EPA issued a letter dated January 27, 2022, to the Pebble Partnership advising as to the EPA's belief that the discharge of dredged or fill associated with mining of the Pebble Project could result in unacceptable adverse effects on important fishery areas and of its intent to issue a Revised Proposed Determination. The EPA's letter was also addressed to the USACE and the State of Alaska Department of Natural Resources. The EPA invited the Pebble Partnership, the USACE, the State of Alaska Department of Natural Resources to submit information "to demonstrate that no unacceptable adverse effects to aquatic resources" would result from the Pebble Project. The Pebble Partnership responded to the EPA on March 28, 2022, contesting both the factual claim by the EPA as to the impact on aquatic resources and the legal basis on which the EPA has proposed to act.

The State of Alaska also responded to the EPA's letter by letter dated March 28, 2022. The State of Alaska advised the EPA of its position that the issuance of a Section 404(c) veto would contravene the Alaska Statehood Act, the Cook Inlet Land Exchange Act and potentially the "takings clause" of the United States Constitution.

On May 25, 2022, the EPA announced that it intended to advance its pre-emptive veto of the Pebble Project and issued a revised Proposed Determination. The Revised Proposed Determination would establish a "defined area for prohibition" coextensive with the current mine plan footprint in which the EPA would prohibit the disposal of dredged or fill material for the Pebble Project. The Revised Proposed Determination would also establish a 309-square-mile "defined area for restriction."

On January 30, 2023, the EPA issued the Final Determination under Section 404(c) of the CWA, imposing limitations on the use of certain waters in the Bristol Bay watershed as disposal sites for certain discharges of dredged or fill material associated with development of a mine at the Pebble deposit. This Final Determination is the concluding step in the administrative process set forth in 40 C.F.R. Part 231, which governs EPA's authority under Section 404(c) to veto permit decisions. The Administrative Procedure Act ("APA"), 5 USC §551 et seq., which governs judicial review of agency decisions, provides that individuals aggrieved by agency action may seek judicial review of any "final agency action." The EPA's administrative determination can be challenged by filing a lawsuit in U.S. federal district court seeking reversal of that decision.

The Final Determination includes the determinations of the EPA that:

- the discharges of dredged or fill material for the construction and routine operation of the mine identified in the 2020 Mine Plan at the Pebble deposit will have unacceptable adverse effects on anadromous fishery areas in the South Fork Koktuli River (**SFK**") and North Fork Koktuli River ("**NFK**") watersheds;

- discharges of dredged or fill material associated with developing the Pebble deposit anywhere in the mine site area within the SFK and NFK watersheds that would result in the same or greater levels of loss or streamflow changes as the 2020 Mine Plan also will have unacceptable adverse effects on anadromous fishery areas in these watersheds, because such discharges would involve the same aquatic resources characterized as part of the evaluation of the 2020 Mine Plan; and

- discharges of dredged or fill material for the construction and routine operation of a mine at the Pebble deposit anywhere in the SFK, NFK, and Upper Talarik Creek ("**UTC**") watersheds will have unacceptable adverse effects on anadromous fishery areas if the effects of such discharges are similar or greater in nature and magnitude to the adverse effects of the 2020 Mine Plan.

Based on these determinations, the Final Determination:

- prohibits the specification of waters of the United States within the Defined Area of Prohibition, as defined in the Final Determination, as disposal sites for the discharge of dredged or fill material for the construction and routine operation of the 2020 Mine Plan. This includes future proposals to construct and operate a mine to develop the Pebble deposit that result in any of the same aquatic resource loss or streamflow changes as the 2020 Mine Plan. Moreover, dredged or fill material need not originate within the boundary of the Pebble deposit to be associated with the developing the Pebble deposit and, thus, subject to the prohibition. For purposes of the prohibition, the "2020 Mine Plan" is (i) the mine plan described in the Pebble Partnership's June 8, 2020 CWA Section 404 permit application and the FEIS; and (ii) future proposals to construct and operate a mine to develop the Pebble deposit with discharges of dredged or fill material into waters of the United States within the Defined Area for Prohibition that would result in the same or greater levels of loss or streamflow changes as the mine plan described in the Pebble Partnership's June 8, 2020 CWA Section 404 permit application. The Defined Area for Prohibition covers approximately 24.7 square miles (63.9 km^2) and includes the area covered by the mine footprint of the 2020 Mine Plan; and

- restricts the use of waters of the United States within the Defined Area for Restriction, as defined in the Final Determination, for specification as disposal sites for the discharge of dredged or fill material associated with future proposals to construct and operate a mine to develop the Pebble deposit that would either individually or cumulatively result in adverse effects similar or greater in nature and magnitude to the adverse effects of the 2020 Mine Plan. The Defined Area for Restriction encompasses certain headwaters for the SFK, NFK and UTC watersheds and covers an area of approximately 309 square miles (800 km^2).

The Company and the Pebble Partnership plan to seek judicial review of the Final Determination in an appropriate U.S. federal district court. The Company anticipates that the Pebble Partnership will continue to assert the following arguments, among others, in any judicial proceedings:

- the EPA's Final Determination is premature and not authorized by the CWA and, accordingly, is contrary to law and precedent;

- the EPA erred when it did not exhaust the Section 404(q) elevation procedures prior to initiating its Section 404(c) procedures as the EPA's authority under Section 404(c) is narrowly prescribed by the CWA and is only to be used as a last resort;

- the EPA's decision to restrict development of 309-square-miles of land is legally and technically unsupportable;

- the EPA has not demonstrated that the development of the Pebble deposit will have unacceptable adverse effects under Section 404(c);

- the EPA has not demonstrated any impacts to Bristol Bay fisheries that would justify the extreme measures in the Final Determination and, further, the Final Determination contradicts the conclusion in the FEIS that the Pebble Project was "not expected to have a measurable impact on fish populations";

- the EPA's Final Determination violates the rights of the State of Alaska established under the Alaska Statehood Act, and related laws, and would undermine the State's legally protected interests in the development of lands it acquired and intended for mineral development; and

- the EPA must consider the benefits of the Pebble Project in light of the critical need for minerals essential to the renewable energy transition, as well as the environmental and social costs that would result from not developing the project.

There is no assurance that any judicial review would be successful in overturning the Final Determination or that the Pebble Partnership's appeal of the ROD will be successful. If not withdrawn or overturned, the Final Determination would prevent the Company from developing the Pebble deposit as set out in the 2020 Mine Plan or in any other mine plan that the EPA would consider as resulting in "adverse effects similar or greater in nature and magnitude to the adverse effects of the 2020 Mine Plan."

The Pebble Partnership would likely not be alone in challenging the EPA's Final Determination, as Alaska Governor Mike Dunleavy has publicly indicated that the State will pursue legal action against the EPA to challenge the Final Determination as indicated in a January 31, 2023 news release. Excerpts include: "EPA's veto sets a dangerous precedent. Alarmingly, it lays the foundation to stop any development project, mining or non-mining, in any area of Alaska with wetlands and fish bearing streams," said Alaska Governor Mike Dunleavy. "…The veto disregards the Alaska Statehood Act, violates the Clean Water Act, and departs from basic scientific methodology. Of particular concern is EPA's failure to demonstrate why the Army Corps of Engineers was wrong when it reviewed the same scientific data but arrived at the opposite conclusion-that the proposed mine plan "would not be expected to have a measurable effect on fish numbers or result in long-term changes to the health of the commercial fisheries in Bristol Bay."[5]

1.2.1.5 Technical Programs

The 2022 site program was initiated in May, and completed by the end of June. The Company's' logistical storage site, used to store equipment, was damaged as part of the wildfire activity during the summer of 2022. During the prior quarter, a team was mobilized to clean up the storage site, which was completed in Q3 2022.

1.2.1.6 Socioeconomic

Community Engagement

Pebble Project technical programs are supported by stakeholder engagement activities undertaken by the Pebble Partnership 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 regulatory 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 have included:

- 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; and
- 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, and 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. This program of engagement and consultation also includes discussions to secure stakeholder agreements to support the project's development.

Right-of-Way Agreements and Other Community Initiatives

The Pebble Partnership has finalized Right-of-Way ("**ROW**") agreements with Alaska Native village corporations and other landowners with land holdings along proposed transportation and infrastructure routes for the Pebble Project. The ROW agreements secure access to portions of several proposed transportation and infrastructure routes 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. Transportation and other infrastructure for a mine at Pebble is expected to benefit Alaska Native village corporations, their shareholders and villages through toll payments and user fees, contracting opportunities, and improved access to lower cost power, equipment and supplies, as well as enhanced economic activity in the region.

On June 16, 2020, the Company announced the Pebble Partnership has established the Pebble Performance Dividend LLC (" **PPD LLC**") to provide a local revenue sharing program with the objective of ensuring that full-time residents of communities in southwest Alaska benefit directly from the future operation of the proposed Pebble Project. The intention is for PPD LLC to distribute cash generated from a 3% net profits royalty interest in the Pebble Project to adult residents of Bristol Bay villages that have subscribed as participants, with a guaranteed minimum aggregate annual payment of US$3 million each year the Pebble mine operates, beginning at the outset of project construction.

A Memorandum of Understanding ("**MOU**") between the Pebble Partnership and APC was announced on July 6, 2020. The Alaska Peninsula Corporation ("**APC**") is an Alaska Native village corporation with extensive land holdings proximal to the Pebble site. The MOU envisages that APC will lead the development of a consortium of Alaska Native village corporations with land holdings along the Northern Transportation Route. It is contemplated that the consortium would provide road maintenance, truck transport, port operations and other logistical services to the Pebble Project should the development of the mine proceed. The MOU is consistent with the Company's strategy of ensuring the development of the Pebble Project will benefit local Alaska communities and people. The MOU is not a binding final contract. Any final contracts with APC or other Alaska Native village corporations will require further negotiation of commercial terms and negotiation of definitive contracts. There is no assurance that these contracts will be concluded or that the Alaska Native village corporations will support the Pebble Project.

1.2.2 Legal Matters

On September 23, 2020, the Company announced that Tom Collier, the former Chief Executive Officer of the Pebble Partnership, had submitted his resignation in light of comments made about elected and regulatory officials in Alaska and the Pebble Project in private conversations covertly videotaped by an environmental activist group. Conversations with Mr. Collier, as well as others with Ron Thiessen, Northern Dynasty's President and Chief Executive Officer, were secretly videotaped or audiotaped by unknown individuals posing as representatives of a Hong Kong-based investment firm, which represented that it was linked to a Chinese State-Owned Enterprise (SOE). The Company understands that a Washington DC-based environmental group, the Environmental Investigation Agency, released portions of the recordings online after obscuring the voices and identities of the individuals posing as investors.

Following the release of the recordings, the USACE issued a statement that, following a review of the transcripts of the recordings, they had "identified inaccuracies and falsehoods relating to the permit process and the relationship between our regulatory leadership and the applicant's executives".

Committee on Transportation and Infrastructure of the United States House of Representatives

On November 19, 2020, the Pebble Partnership received a letter from the Committee on Transportation and Infrastructure of the United States House of Representatives, stating that the comments made by Mr. Collier and Mr. Thiessen regarding the expansion, capacity, size and duration of the potential Pebble mine were believed to be inconsistent with the testimony of Mr. Collier before the Committee and demanding production of documents apparently related to the comments. The Company produced documents in response to those requests. The Company also responded to the Committee by letter denying and refuting that there was any inconsistency as raised in the Committee's November 19, 2020 correspondence.

On October 22, 2022, the Committee's then-Majority Staff released a report concerning the Pebble Project, alleging false testimony to the Committee and indicating that a referral has been made to the U.S. Attorney General's Office. The Staff Report was issued without providing the Company any opportunity to respond to the allegations contained in the Staff Report prior to its release. Nor did the Committee publicly request or conduct any interviews of Northern Dynasty or Pebble employees after its November 19, 2020, correspondence. The Pebble Partnership, in a press release, responded "[w]e want to be absolutely clear, however, that to the extent the report contains any suggestion that we tried to mislead regulators in any way, it is categorically wrong and misinformed of the realities of the Pebble permitting process." The Company also stated "[w]e look forward to laying out the essential context missing from the report." Pebble Partnership CEO, John Shively, further responded to the Staff Report in a letter dated December 22, 2022, stating that the Staff Report was "issued in violation of Committee rules and without any meaningful consideration of the objective facts." No formal response to the letter has been received from the Committee.

Grand Jury Subpoena

On February 5, 2021, the Company announced that the Pebble Partnership and Tom Collier, the former Chief Executive Officer of the Pebble Partnership, had each been served with a subpoena issued by the United States Attorney's Office for the District of Alaska to produce documents in connection with a grand jury investigation. The Company is not aware of any criminal charges having been filed against any entity or individual in this matter.

The Company also self-reported this matter to the SEC, and responded to a related inquiry being conducted by the enforcement staff of the SEC's San Francisco Regional Office. The Company and the Pebble Partnership are cooperating with each of these investigations.

Class Action Litigation following the USACE'S Record of Decision

On December 4 and 17, 2020, separate putative shareholder class action lawsuits were filed against the Company and certain of its current and former officers and directors in the U.S. District Court for the Eastern District of New York regarding the drop in the price of the Company's stock following the ROD by the USACE regarding the Pebble Project. These cases are captioned *Darish v. Northern Dynasty Minerals Ltd. et al.,* Case No. 1:20-cv-05917-ENV-RLM, and *Hymowitz v. Northern Dynasty Minerals Ltd. et al.,* Case No. 1:20-cv-06126-PKC-RLM. Each of the complaints was filed on behalf of a purported class of investors who purchased shares of the Company's stock from December 21, 2017, through November 25, 2020, the date the USACE announced its decision, and seeks damages allegedly caused by violations of the federal securities laws. On March 17, 2021, the two cases were consolidated and a lead plaintiff and counsel were appointed. A consolidated and amended complaint was filed in June 2021, naming the Company, the Company's CEO and the Pebble Partnership's former CEO as defendants. The Company filed a motion to dismiss the complaint on behalf of all defendants, which the Court denied on January 25, 2023. The Company will continue to defend its interests in the litigation, which is expected to proceed into the discovery phase and forthcoming motion practice on whether a class should be certified.

On December 3, 2020, a putative shareholder class action lawsuit was filed against the Company, certain of its current and former officers and directors, and one of its underwriters in the Supreme Court of British Columbia regarding the decrease in the price of the Company's stock following the USACE's November 25, 2020 decision regarding the Pebble Project. The case is captioned *Haddad v. Northern Dynasty Minerals Ltd. et al.,* Case No. VLC-S-S-2012849. The claim was filed on behalf of a purported class of investors, wherever they may reside, who acquired common shares of the Company's stock between December 21, 2017 and November 25, 2020, and seeks damages for (i) alleged misrepresentations in the Company's primary market offering documents and continuous disclosure documents, and (ii) allegedly oppressive conduct. The Company has been served the claim and intends to defend itself vigorously. The underwriter has asserted contractual rights of indemnification against the Company for any loss that the underwriter may incur in connection with the lawsuit. On April 20, 2022, the putative plaintiff filed and subsequently served an application to amend his pleadings to harmonize with the pleadings in the Woo case described below, add Mr. Woo as a plaintiff, and add new underwriter defendants. Also on April 20, 2022, the putative plaintiff filed and subsequently served an application for leave to commence a secondary market liability claim under s. 140.3 of the B.C. Securities Act, for an order certifying the action as a class action, and for related relief.

On February 17, 2021, a putative shareholder class action lawsuit was filed against the Company, certain of its current and former officers and directors, and certain of its underwriters in the Supreme Court of British Columbia regarding the decrease in the price of the Company's stock following (i) the USACE's August 24, 2020 announcement that the Pebble Project could not be permitted as proposed, and (ii) the USACE's November 25, 2020 decision regarding the Pebble Project. The case is captioned *Woo v. Northern Dynasty Minerals Ltd. et al.* , Case No. VLC-S-S-211530. The claim was filed on behalf of a purported class of investors, wherever they may reside, who purchased securities of the Company between June 25, 2020 and November 25, 2020, and seeks damages for (i) alleged misrepresentations in the Company's primary market offering documents and continuous disclosure documents, (ii) allegedly oppressive conduct, (iii) alleged unjust enrichment, and (iv) negligence. The Company has been served and intends to defend itself vigorously. The underwriters have asserted contractual rights of indemnification against the Company for any loss that they may incur in connection with the lawsuit.

On March 5, 2021, a putative shareholder class action lawsuit was filed against the Company, certain of its current and former officers and directors, and certain of its underwriters in the Ontario Superior Court of Justice regarding the decrease in the price of the Company's stock following the USACE's November 25, 2020 decision regarding the Pebble Project. The case is captioned *Pirzada v. Northern Dynasty Minerals Ltd. et al*., Case No. CV-21-00658284-00CP. The claim was filed on behalf of a purported class of investors, wherever they may reside, who acquired securities of the Company between June 25, 2020 and November 25, 2020, and seeks damages for (i) alleged misrepresentations in the Company's primary market offering documents and continuous disclosure documents, (ii) allegedly oppressive conduct, and (iii) alleged negligence. On March 30, 2022, the plaintiff made a motion to discontinue the claim without costs and the court granted the discontinuance in April 2022.

Indemnification Obligations

The Company is subject to certain indemnification obligations to both present and former officers and directors, including Mr. Collier, in respect to the legal proceedings described above. These indemnification obligations will be subject to limitations prescribed by law and the articles of the Company, and may also be subject to contractual limitations.

1.2.3 Financing

Royalty Agreement for Proceeds of up to US$60 Million on Non-Core Metals

In July 2022, Northern Dynasty announced that the Pebble Partnership, together with certain other wholly-owned subsidiaries of the Pebble Partnership, had entered into the Royalty Agreement with the Royalty Holder to receive up to US$60 million over the next two years, in return for the right to receive a portion of the future gold and silver production from the Pebble Project for the life of the mine. The Company received an initial non-refundable payment of US$12 million from the Royalty Holder concurrently with execution of the Royalty Agreement, and granted the option to the Royalty Holder to increase its investment to US$60 million, in aggregate. The Company retained the right to 100% of the copper production from the Pebble Project.

Pursuant to the terms of the Royalty Agreement, the Royalty Holder made the initial non-refundable payment of US$12 million in exchange for the right to receive 2% of the payable gold production and 6% of the payable silver production from the Pebble Project, in each case after accounting for a notional payment by the Royalty Holder of US$1,500 per ounce of gold and US$10 per ounce of silver, respectively, for the life of the mine. If, in the future, spot prices exceed US$4,000 per ounce of gold or US$50 per ounce of silver, then the Company will share in 20% of the excess price for either metal. Additionally, the Company will retain a portion of the metal produced for recovery rates in excess of 60% for gold and 65% for silver, and so is incentivized to continually improve operations over the life of the mine. Within two years of the date of the Royalty Agreement, the Royalty Holder has the right to invest additional funds, in US$12 million increments, for the right to receive additional 2% increments of gold production and 6% of silver production to an aggregate total of US$60 million, in return for the right to receive an aggregate of 10% of the payable gold and 30% of the payable silver (in each case, in the aggregate) on the same terms as the first tranche of the investment. The Royalty Holder is under no obligation to invest additional amounts to increase its interest in the gold and silver production from the Pebble Project.

The Pebble Partnership has also granted to the Royalty Holder a right of first refusal in respect of the sale of any gold or silver production from the Pebble Project pursuant to a streaming, royalty or other similar transaction in exchange for an upfront payment. The Royalty holder has granted to the Pebble Partnership a right of first refusal should it propose to sell any of its rights under the Royalty Agreement.

Subject to certain conditions, the Royalty Agreement does not restrict the Company's ability to form partnerships to assist in the development of the Proposed Project, for example (but not restricted to) other mining companies or Alaska Native Corporations.

1.2.4 Market Trends

Copper prices were variable in early 2018, trended downward from June to August, then increased through to the end of the year and into 2019. Prices decreased in April/May of 2019, and variable to increasing until late January 2020 when they dropped sharply, losing the gains made in late 2019. In 2020, prices dropped sharply in response to changing economic conditions related to COVID-19 but rebounded in May and trended upward during the third quarter, dropped slightly in October, then increased by the end of the year. In 2021, prices were variable to increasing to May, dropped in June, and then were stable until October when they again became variable. Copper prices increased in early 2022, decreased from late April to July, then stabilized somewhat through January 2023. Prices have increased in early 2023, with a slight decrease in March. The price for copper closed on March 30, 2023, at US$4.10/lb.

Gold prices rebounded in January 2018 from late 2017, then were relatively stable for several months, before decreasing in Q3 2018. Prices increased in the latter part of 2018 and through most of 2019 before stabilizing from September to December 2019 and into 2020. Prices dropped sharply in March 2020, then resumed the upward trend in response to uncertainty about global economic conditions related to COVID-19. Prices reached record highs in late July and early August 2020, then decreased before stabilizing for the remainder of the year. Prices were variable for most of 2021, and then increased from October to early 2022. Prices were variable to decreasing from March to November 2022. Prices increased from December 2022 to February 2023, then dropped slightly before increasing again in March. The price for gold closed on March 30, 2023, at US$1,966/oz.

Molybdenum prices continued on an upward trend, increasing for most of 2018, and were steady from September 2018 and through much of 2019. Prices largely decreased from October 2019 to August 2020, then increased and continued to do so until dropping slightly in July 2021. Prices were relatively stable to increasing in 2022, and and increased to mid-March 2023 but have decreased since that time. The price for molybdenum closed on March 30, 2023, at US$24.25/lb.

Silver prices recovered in January 2018 after a decline in late 2017, but were variable the rest of 2018 and for most of 2019, stabilizing in November and December; the annual average price increased in 2019. After an increase in early January 2020, the price for silver fell to US$12.00/oz in March, then silver prices began to increase in response to uncertainty about global economic conditions related to COVID-19, reaching over US$27.00/oz in mid-August, decreased for a short time, and then increased for the remainder of the year; the average annual price increased in 2020. Prices were variable in 2021 and 2022. The average annual price increased 2021 but decreased in 2022. Silver prices largely increased from November 2022 to February 2023, then decreased before increasing in March. The price for silver closed on March30, 2023, at US$23.70/oz.

Average annual prices of copper, gold, molybdenum and silver for the past five years as well as the average prices so far in 2023 are shown in the table below:

Year	Average metal price [1,2]			
	Copper US$/lb	Gold US$/oz	Molybdenum US$/lb	Silver US$/oz
2018	2.96	1,269	11.94	15.71
2019	2.72	1,393	11.36	16.21
2020	2.80	1,769	8.68	20.54
2021	4.27	1,799	15.94	25.14
2022	3.99	1,800	18.73	21.74
2023 (to March 30)	4.05	1,888	NA	22.52

1. *Source for copper, gold and silver is Argus Media at* www.metalprices.com.
   LME Official Cash Price for copper.
   LBMA PM price for gold.
   London PM fix for silver.
2. *Source for molybdenum prices is Platts*

1.3 Selected Annual Information

The following selected annual information is from the Financial Statements, which have been prepared in accordance with IFRS. In the table below, unless otherwise stated, all monetary amounts are expressed in thousands of dollars except per share amounts.

	Fiscal year 2022	Fiscal year 2021	Fiscal year 2020
Total assets	$ 145,218	$ 159,282	$ 180,374
Total non-current liabilities	463	1,365	657
Total current liabilities	2,070	2,424	7,411
Exploration and evaluation expenses	9,269	12,435	39,219
General and administrative expenses	9,026	9,991	11,545
Legal, accounting and audit	4,010	5,941	2,438
Share-based compensation	2,301	2,858	9,342
Other items [1]	(271)	317	1,328
Loss before tax for the year	**$ 24,335**	**$ 31,542**	**$ 63,872**
Basic and diluted loss per common share	**$ 0.05**	$ 0.06	$ 0.13
Weighted average number of common shares outstanding (000s)	**529,779**	521,459	473,668

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

Discussion on period-to-period variances:

- The decrease in total assets in 2022 vs 2021 was due primarily to the decrease in cash and equivalents and mineral property, plant and equipment. With the latter the Company accounted for the first tranche of US$12 million received on the execution of the Royalty Agreement as a partial sale of mineral property interest. The decrease in total assets in 2021 vs 2020 was due mainly to the decrease in cash and equivalents due in part to the Company undertaking less financing activities.

- Non-current liabilities decreased in 2022 vs 2021 due to the decrease in lease liabilities and the derecognition of the contingent payable for legal fees (see below). The increase in non-current liabilities in 2021 vs 2020 was due to the Company including fees due to legal counsel of approximately $0.8 million (US$0.6 million) which are payable on completion of a partnering transaction. These legal fees were included in current liabilities in 2020. Current liabilities decreased in 2022 vs 2021 due to a decrease in trade payables. Current liabilities decreased in 2021 vs 2020 as the latter included the final installment of US$2.6 million in legal success fees which was paid in 2021 and 2021 expenditures were reduced.

- Exploration and evaluation expenses ("**E&E**") decreased in each year presented. In 2020, the Company was supporting the EIS process, which wound down with the receipt of the final EIS and the ROD. In 2021, Company submitted an administrative appeal of the ROD completed the 2021 PEA. In 2022, while awaiting the decision on the ROD appeal, the Company completed an update of its 2021 PEA to evaluate the impacts of the Royalty Agreement (the 2022 PEA).

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

- Legal, accounting and audit expenses have fluctuated in response to the ongoing class action lawsuits, and the grand jury investigation in Alaska. In 2022, fees decreased from 2021, offset by fees incurred in response to the Revised Proposed Determination. Additionally, the derecognition of the contingent payable relating to legal fees reduced expenses by $0.8 million. Legal expenses increased in 2021 vs 2020 as the Company incurred legal fees for the preparation and response to the grand jury investigation in 2021 in addition to fees relating to class action lawsuits (refer Section 1.2.2 Legal Matters).

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	Dec 31 2022	Sep 30 2022	Jun 30 2022	Mar 31 2022	Dec 31 2021	Sep 30 2021	Jun 30 2021	Mar 31 2021
Expenses								
Exploration and evaluation	$ 2,947	$ 1,839	$ 2,182	$ 2,301	$ 2,897	$ 2,907	$ 3,345	$ 3,286
General and administrative	2,284	2,132	2,517	2,093	2,644	2,405	2,480	2,462
Legal, accounting and audit	698	1,707	1,521	84	(1,386)	3,124	1,916	2,287
Share-based compensation	415	1,874	6	6	6	244	1,286	1,322
Other items [1]	(74)	(137)	(38)	(22)	(28)	(14)	197	162
Loss for the quarter [2]	$ 6,270	$ 7,415	$ 6,188	$ 4,462	$ 4,133	$ 8,666	$ 9,224	$ 9,519
Basic and diluted loss per common share	$ 0.01	$ 0.01	$ 0.01	$ 0.01	$ 0.01	$ 0.02	$ 0.02	$ 0.02
Weighted average number of common shares (000s)	529,779	529,779	529,779	529,779	529,751	528,470	516,077	511,259

1. Other items include interest income, finance expense, exchange gains or losses, gain or loss on revaluation of warrants, gain on lease term modification, (gain) loss on disposal of property, plant and equipment, and other income.

2. Loss before tax

Discussion of Quarterly Trends

General and administrative expenses ("**G&A**") trended lower in 2022 than 2021 as the Company incurred less consultation expenses.

Legal, accounting and audit expenses have fluctuated in response to legal fees incurred in relation to class action lawsuits, the preparation for and response to the grand jury investigation in Alaska, and response to the Revised Proposed Determination. In Q4 2022, the derecognizition of a contingent payable relating to legal fees reduced legal expenses by $0.8 million. In Q4 2021 and Q1 2022, the Company received insurance proceeds for certain of the costs incurred relating to class action lawsuits and the grand jury investigation, which offset fees paid.

Share-based compensation expense ("**SBC**") has fluctuated due to timing (affects the estimate of fair value determined) of share purchase option ("**option**") grants, the quantum of option grants and the vesting periods associated with these option grants. The Company granted 11,254,000 options in Q3 2022 which was the first grant since 2020.

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, 2022 versus 2021

For the three months ended December 31, 2022, the Company recorded a $2.2 million increase in net loss as loss from operating activities increased by $3.0 million primarily due to a $2.1 million increase in legal, accounting and audit expenses.

For the year, the Company recorded a $7.1 million decrease in net loss as loss from operating activities decreased by $6.6 million primarily as a result of a $3.2 million decrease in E&E and a $1.9 million decrease in legal, accounting and audit expenses.

Exploration and evaluation expenses

The breakdown of E&E (in thousands of dollars) for the periods as compared to 2021 is as follows:

E&E	Three months		Year	
	2022	**2021**	**2022**	**2021**
Engineering	$ 195	$ 476	$ 1,390	$ 3,860
Environmental	439	404	2,187	2,237
Property fees	1,188	1,144	1,194	1,150
Site activities	350	328	1,565	2,089
Socio-economic	736	504	2,242	2,403
Transportation	21	12	620	523
Other activities and travel	18	29	71	173
Total	**$ 2,947**	**$ 2,897**	**$ 9,269**	**$ 12,435**

E&E was generally on par with the prior year quarter. The decrease in engineering costs was offset by an increase in socio-economic costs. For the year ended, E&E decreased by $3.2 million due to decreases in engineering, site activities and socio-economic costs. Engineering costs in 2021 were higher due to the Company completing and filing the 2021 PEA.

General and administrative expenses

The following table (in thousands of dollars) provides a breakdown of G&A, and also includes legal, accounting and audit expenses incurred, in the period as compared to 2021:

	Three months		Year	
G&A	**2022**	**2021**	**2022**	**2021**
Conference and travel	$ 59	$ 38	$ 248	$ 131
Consulting	194	786	651	1,902
Depreciation of right-of-use assets	27	26	104	192
Insurance	734	523	2,422	1,502
Office costs, including information technology	184	188	769	815
Management and administration	792	878	3,130	3,891
Shareholder communication	236	194	1,276	1,309
Trust and filing	58	11	426	249
Total G&A	**2,284**	**2,644**	**9,026**	**9,991**
Legal, accounting and audit	698	(1,386)	4,010	5,941
	$ 2,982	**$ 1,258**	**$ 13,036**	**$ 15,932**

G&A decreased by over $0.3 million in the three months as compared to 2021 and decreased by over $0.9 million compared to last year. In the three months, the decrease resulted primarily from less consulting costs but was offset by the increased insurance amortization. For the year, the decrease was again due primarily to less consulting fees but also to less management and administration costs paid. However, this was offset by an increase in insurance amortization, conference and travel costs, and trust and filing costs the latter due largely to expensing of deferred costs.

Legal, accounting and audit expenses increased by $2.1 million in the quarter. In Q4 2021 the Company received insurance proceeds for certain legal costs incurred which reduced legal costs. For the year, legal, accounting and audit expenses decreased by $1.9 million as the Company incurred less legal fees relating to the grand jury investigation and class action lawsuits.

Other

The Company recorded an increase in SBC of $0.4 million in the quarter and a decrease of $0.5 million for the year. SBC fluctuates due to the timing of when options, RSUs and DSUs are granted, as well as the quantum thereof, and the vesting periods associated with these grants.

1.5.2 Financial position as at December 31, 2022 versus December 31, 2021

The total assets of the Company decreased by $14 million due to a $6.8 million decrease in the carrying value of the Company's mineral property, plant and equipment and a decrease of $8.1 million in cash and cash equivalents. The decrease in the former was due to the Company accounting for the first tranche of US$12 million received on the execution of the Royalty Agreement as a partial sale of mineral property interest.

1.5.3 Plan of Operations

Our business objectives for 2023 subject to available financial resources, are to:

- continue with the appeal of the ROD by the USACE;
- challenge the EPA's Final Determination;
- continue with engineering, environmental, permitting and evaluation work on the Pebble Project as required;
- maintain 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;
- advance efforts toward a successful appeal of the RFA, and reversal of EPA's Final Determination;
- maintain the Pebble Project and Pebble claims in good standing;
- continue to seek potential partner(s) with greater financial resources to further advance the Pebble Project; and
- continue general and administrative activities in connection with the advancement of the Pebble Project.

The key milestones in the development of the Company's business is presently the successful completion of an appeal of the ROD.

The USACE's ROD has had a material impact on the Company's previously disclosed plan of operations. Accordingly, the Company has altered its intended business activities and milestones to be completed over the next 12 months to focus on the appeal of the ROD. In addition, the Company will evaluate available options to challenge the EPA's Final Determination. The Company's present business objectives and milestones are anticipated to generally include the following activities over the next 12 months being January 1 to December 31, 2023:

Milestone/Business Objective	Business Activity within Next 12 Months	Timeframe for Completion [1]	Anticipated Budget during Next 12 Months
Continue with engineering, environmental, permitting and evaluation work on the Pebble Project as required	Work includes ongoing site maintenance to remain in compliance with permitting and demobilization of field equipment as required, additional engineering and evaluation of the Pebble Project	Ongoing through next twelve months	US$2,497,000
Maintain an active corporate presence in Alaska	Continue to build relationships with: · both federal and Alaska state governments and agencies; · Native Corporations and communities, an example being the establishment of the Pebble Performance Dividend, which is intended to provide a direct benefit to the people of Bristol Bay; · Right-of-Way Payments to various Native Corporations	Ongoing through next twelve months	US$4,222,000,
Pebble claims maintenance	Continue to maintain the Pebble claims in good standing.	Ongoing through next twelve months	US$1,360,000
Pebble partnering process [1]	Ongoing discussions and possible negotiations to secure a project partner(s) with the financial resources to advance development of the Pebble project. Management will continue to seek suitable partner(s) with the objective to maximize shareholder value through 2023.[2]	Ongoing through next twelve months	US$1,000,000
General corporate purposes, including appeal of the ROD by the USACE on Pebble, challenge to EPA's Final Determination; defence of Class Action Lawsuits, settlement of historical liabilities, handling of grand jury investigation	Pursue successful appeal of the ROD, challenge of EPA's Final Determination and defense of legal proceedings	Ongoing through next twelve months	US$6,796,000

Notes

1. Due to the COVID-19 pandemic, some due diligence activities that a partner may usually undertake such as site visits have been slower than anticipated.
2. There is no assurance that these discussions or possible negotiations will result in any binding agreement with any partner for the development of the Pebble Project. See 1.15.5 *Risk Factors*.

The Company's actual plan of operations and expenditures for the next twelve months may vary depending on future developments and at the discretion of the Company's board of directors and management.

The Company will require additional financing beyond its current cash and working capital in order to carry out these further business activities. The Company believes that its ability to obtain additional financing has been and will continue to be negatively impacted by the Record of Decision and its ability to successfully appeal the ROD and challenge the EPA's Final Determination. The Company does not have an arrangement in place for any future financing or raising of funds other than through the Royalty Agreement, whereby the Company can sell a further interest in gold and silver production from the Pebble Project at the Royalty Holder's option. (see 1.6 Liquidity) As such, there is no assurance that the Company will be able to raise the required additional financing when required. In addition, the Company cautions that while a successful appeal of the ROD will reduce one of the significant risk factors faced by the Pebble Project, significant risk factors will remain for the development of the Pebble Project, as described in 1.15.5 Risk Factors.

In the event that appeal of the ROD is unsuccessful, the Company will be required to re-assess its options for advancing the development of the Pebble Project. These options may include a re-assessment of the scope of the Pebble Project and the submission of a revised permit application. While the Company is unable to assess the full impact of any adverse appellate result of the ROD at this time, the Company anticipates that such a negative result on appeal of the ROD will have a negative impact on the Company's ability to obtain additional financing, and will most likely limit the Company's financing options to further issuances of the Company's equity securities.

The Company may also attempt to reduce the amount of additional financing required by entering into a potential joint venture or other partnership arrangement for advancement of the Pebble Project. The Company is continuing to evaluate the availability of long-term project financing options among mining companies, private equity firms and others, utilizing conventional asset level financing, debt, royalty and alternative financing options. There is no assurance that Northern Dynasty will be able to partner the Pebble Project or secure additional financing when required. In July 2022, the Company was able to bolster its treasury with the receipt of the first tranche of US$12 million on the execution of the Royalty Agreement (discussed above under "Royalty agreement secured for proceeds of up to US$60 million on non-core metals").

To the extent that Northern Dynasty is unable to raise additional financing, it will have to curtail its operational activities, which will ultimately delay advancement of the Pebble Project.

Northern Dynasty's inability to successfully appeal the ROD may ultimately mean that it will be unable to proceed with the development of the Pebble Project as currently envisioned or at all. Similarly, the inability to successfully challenge the EPA's Final Determination may also ultimately mean that the Company will be unable to proceed with the development of the Pebble Project as currently envisioned or at all.

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 proceeds 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, 2022, the Company had cash and cash equivalents of $14.2 million, a decrease of $8.1 million from December 31, 2021. The Company employed $23.9 million in its operating activities in the year ended December 31, 2022. The Company has prioritized the allocation of its available financial resources to meet key corporate and Pebble Project expenditure requirements in the near term, being the next 12 months, as outlined above under 1.5.3 Plan of Operations. Pursuant to the Royalty Agreement, the Company may, at the option of the Royalty Holder, receive additional tranches of US$12 million each, up to US$48 million, until July 2024 (refer Section 1.2.3. Financing - Royalty Agreement for Proceeds of up to US$60 Million on Non-Core Metals). The Company does not have any arrangements in place for additional funding. There can be no assurances that the Company will be successful in obtaining additional financing when required. 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, 2022 and 2021, the Company had a working capital of $14.8 million and $21.7 million respectively. The Company has no lease or any other long-term obligations other than those disclosed below:

The following commitments and payables (expressed in *thousands)* existed at December 31, 2022:

			Payments due by period as of the reporting date		
		Total	≤ 1 year	1-5 years	> 5 years
Trade and other payables [1]	**$**	**1,683**	$ 1,683	$ –	$ –
Payables to related parties		**237**	237	–	–
Lease commitments [2]		**802**	204	480	118
Other commitments [3]		**513**	269	244	–
Total	**$**	**3,235**	$ 2,3932,393	$ 724	$ 118118

Notes to table

1. Excludes current and non-current lease liabilities which are disclosed separately (refer note 2 below).
2. Relates to the undiscounted lease payments to be made by the Company over the remaining lease terms.
3. Includes payments due on a short term lease and payments for the use of offices and shared space from a related party.
4. US dollar amounts have been converted at the closing rate on December 31, 2022, of $1.3554 per 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). In addition, the Company 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, 2022, 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, 2022, 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, Board Chair and Chief Executive Officer (" **CEO**"), respectively, are active members of the HDI Board of Directors. Mark Peters, the Company's Chief Financial Officer ("**CFO**"), is also the CFO of HDSI. Other key management personnel of the Company – Adam Chodos, Stephen Hodgson[6], Bruce Jenkins, Trevor Thomas and Mike Westerlund – 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.

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[6] Stephen Hodgson has been providing services to the Company under the Services Agreement, including acting as the Vice President, Engineering for the Company since 2005. In July 2018, he was transferred to a subsidiary of HDSI, Hunter Dickinson Servicepay (US) Inc., and provided services to the Pebble Partnership as Senior Vice President, Engineering & Project Director until the end of February 2021 when he was transferred back to HDSI, and continues to provide services to the Company under the Services Agreement, including acting as the Vice President, Engineering for the Company.

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.

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.

In an addendum to the Services Agreement between HDSI and the Company, dated October 10, 2015, following a change of control, the Company is subject to termination payments if the Services Agreement is terminated. The Company will be required to pay HDSI $2.8 million, and an aggregate amount equal to six months of annual salaries payable to certain individual service providers under the Services Agreement and their respective employment agreements with HDSI.

The Company has an office use agreement with HDSI, whereby HDSI is providing two offices and a non-fixed space, on as needed basis, for a five-year term, which commenced May 1, 2021, and ends April 29, 2026. Pursuant to this agreement, the Company has a remaining undiscounted commitment at December 31, 2022 of $0.3 million, which has been disclosed in the table under section 1.6 Liquidity. The commitment is a flow through cost at market rates.

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 7 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 7 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, 2022 versus 2021

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 Company 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, 2022. 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: 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 and liabilities exposed to foreign exchange risk. The Company's exposure to foreign exchange risk is as follows:

US dollar denominated financial assets and liabilities (in thousands of Canadian Dollars)	December 31 2022	December 31 2021
Financial assets:		
Amounts receivable	$ 108	$ 168
Cash and cash equivalents and restricted cash	7,347	5,433
	7,455	5,601
Financial liabilities:		
Non-current trade payables	(463)	(1,365)
Current trade and other payables	(1,383)	(1,670)
Payables to related parties	(71)	(190)
	(1,917)	(3,225)
Net financial assets exposed to foreign currency risk	$ 5,538	$ 2,376

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 $554 (2021 – $238) in the reported 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, 2022.

Commodity price risk

While the value of the Company's Pebble Project is related to the prices of copper, gold, molybdenum, silver and rhenium 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, silver and rhenium 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 2022 AIF, 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 the date of this MD&A is as follows:

	Number
Common shares issued and outstanding	529,779,388
Share options pursuant to the Company's incentive plan	27,693,500
Deferred share units	559,615
Non-incentive plan options [1]	37,600

Note to table:

1. These were issued on the acquisition of Cannon Point in October 2015 and expire in December 2024.

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 ICFR. ICFR is a process designed by, or under the supervision of, the CEO and CFO 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, 2022. 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. Based on their assessment, management has concluded that, as of December 31, 2022, the Company's ICFR was effective based on those criteria.

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

The Company's ICFR as of December 31, 2022, has been audited by Deloitte LLP, Independent Registered Public Accounting Firm, who also audited the Company's consolidated financial statements for the year ended December 31, 2022. Deloitte LLP, as stated in their report that immediately precedes the Company's audited consolidated financial statements for the year ended December 31, 2022, expressed an unqualified opinion on the effectiveness of the Company's ICFR.

1.15.4 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.

1.15.5 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:

Northern Dynasty May be Unsuccessful in Appealing the Record of Decision and challenging the EPA's Final Determination and may ultimately not be able to Obtain the Required Environmental Permits for the Pebble Project.

The USACE's ROD issued on November 25, 2020, has denied Northern Dynasty's environmental permit for development of the Pebble Project under the CWA. This environmental permit is required for Northern Dynasty to proceed with the development of the Pebble Project. While the Pebble Partnership is appealing the ROD, there is no assurance that the appeal of the ROD will be successful. Even if the appeal is successful, there is no assurance that a positive ROD will ultimately be obtained by the Pebble Partnership or that the required environmental permit will be obtained. An inability to successfully appeal the ROD will mean that Northern Dynasty cannot proceed with the development of the Pebble Project as presently envisioned. There is no assurance that Northern Dynasty will be able to redesign the Pebble Project in a manner that addresses the "significant degradation" finding reached by the USACE or ultimately develop any compensatory mitigation plan that the USACE accepts as appropriately addressing the "significant degradation" determination or that will change the USACE's position that environmental permitting of the Pebble Project under the CWA is against the public interest. Northern Dynasty's inability to address these issues may mean that the Company is ultimately not able to secure the environmental permits that are required to develop the Pebble Project. Accordingly, there is no assurance that Northern Dynasty will ever be able to proceed with the development of the Pebble Project and that investors will be able to recover their investment in the Company.

In addition, the EPA re-initiated the CWA Section 404(c) process, and has issued a Final Determination for the waters of Bristol Bay. The Final Determination has established the Defined Area for Prohibition coextensive with the current mine plan footprint in which the EPA prohibits the disposal of dredged or fill material for the Pebble Project and has also established the Defined Area for Restriction. Such Final Determination will negatively affect the ability of the Pebble Partnership to obtain required permitting and develop the Project, even if the appeal of the 2020 ROD is successful unless the Final Determination is also challenged and withdrawn. There is no assurance that any challenge by the Company to the EPA's Final Determination will be successful. The inability to successfully challenge the EPA's Final Determination may ultimately mean that the Company will be unable to proceed with the development of the Pebble Project as currently envisioned or at all.

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. The EPA has undertaken regulatory action through the issuance of the Final Determination to restrict development of the Pebble Project and there is no assurance that the Final Determination will be successfully challenged or withdrawn in future. In addition, there is no assurance that the EPA will not seek to undertake future regulatory action to impede or restrict the Pebble Project even if the Final Determination is successfully challenged. In addition, there are prominent and well-organized opponents of the Pebble Project and the Company may be unable, even if it presents 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.

Although, the Company received a denial of its CWA 404 permit application from the USACE, the Company has submitted an appeal of the ROD. The uncertainty of the USACE appeal process and the EPA Final Determination process casts doubt as to whether we will ever be able to obtain these permits for the Pebble Project as currently planned or within the timeline envisioned. Should the appeal be successful, and the Final Determination successfully challenged, of which there is no assurance, the Company will still be required to secure the full range of permits and authorizations from multiple federal and state regulatory agencies, which 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 the Company builds a mine at the Pebble Project it will be unable to achieve revenues from operations and may not be able to sell or otherwise recover its investment in the Pebble Project, which would have a material adverse effect on the Company and an investment in the Company's common shares.

The Pebble Project is Not Evaluated by Any Preliminary or Final Feasibility Study

The development of the Pebble Project has not been evaluated by any preliminary or final feasibility study. Accordingly, even if the ROD is overturned and the Final Determination successfully challenged, there are substantial risks that we will not be able to proceed with the development of the Pebble Project, that the Pebble Project cannot be economically mined or that shareholders will not be able to recover their investment in the Company.

If Northern Dynasty is Unable to Defend the " Class Action" Lawsuits against it, there is No Assurance that Northern Dynasty will not be Subject to Judgements for Damages against it.

Northern Dynasty is the subject of proposed class action lawsuits against it that assert liability against Northern Dynasty on behalf of a purported class of shareholders under securities laws, both in Canada and in the United States. While Northern Dynasty intends to vigorously defend these claims, there is no assurance that Northern Dynasty will be successful in defending all claims made against it. Should Northern Dynasty not be successful in defending these claims, it may be subject to judgements against it and be required to pay substantial amounts in damages to the plaintiffs under these judgements. These damages could result in a material and adverse impairment to Northern Dynasty's financial condition and capital resources, and may further impair its ability to pursue the development of the Pebble Project.

In addition, Northern Dynasty is required under the terms of the indemnification agreements that it has entered into with underwriters in connection with Northern Dynasty's public financings to indemnify the underwriters for any losses that they incur. As certain of Northern Dynasty's underwriters have been named as defendants in certain of these class action lawsuits, Northern Dynasty may be required to indemnify and pay monies to the underwriters for any losses that they suffer and expenses that they incur. In addition, Northern Dynasty may be required to indemnify certain of its officers and directors for any losses that they suffer or expenses that they incur.

There is no assurance that Northern Dynasty's existing insurance policies will respond and be sufficient to cover any amounts that it may be required to pay to the plaintiffs in these class action lawsuits, or the underwriters under our indemnification obligations. We may also be required to indemnify certain of our officers and directors who have been named as party to these lawsuits. These damages could result in a material and adverse impairment to our financial condition and capital resources, and may further impair our ability to raise additional financing and pursue the development of the Pebble Project.

Grand Jury Investigation and Related Matters.

The Company is cooperating with a grand jury investigation involving the United States Attorney's Office for the District of Alaska, and an SEC inquiry, as described above under 1.2.2 Legal Matters. The Company is not able to provide investors with guidance as to the outcome of the grand jury investigation or SEC inquiry, or whether either of them will result in any charges or other claims against the Company, the Pebble Partnership or their associated individuals. The Company does anticipate, however, that it will incur substantial expenses in connection with the grand jury and SEC matters, including legal fees and expenses related to the collection, review, and production of documents, among other things. Any adverse civil or criminal proceedings could have a material adverse impact on Northern Dynasty's prospects and ability to advance development of the Pebble Mine project.

In addition, Northern Dynasty and the Pebble Partnership may face ongoing and further inquiries, demands or allegations concerning future plans for the Pebble Project from the U.S. Congress' House Committee on Transportation and Infrastructure. Again, any adverse civil or criminal proceedings relating to the Committee's investigation could have a material adverse impact on Northern Dynasty's prospects and ability to advance development of the Pebble Project. In addition, these inquiries or any possible resulting civil or criminal proceedings could erode any existing political support for the Pebble Project, which may reduce the likelihood of the Pebble Project obtaining the required environmental permitting.

The Record of Decision and the Final Determination have had and will have an Ongoing Adverse Impact on Northern Dynasty's Ability to Finance the Pebble Project.

Northern Dynasty believes that the USACE's ROD has had a material adverse impact on its ability to finance its operations and will continue to adversely impact its financing options for so long as the ROD remains outstanding. In addition, the EPA's Final Determination may adversely impact Northern Dynasty's ability to complete future financings. Appealing the ROD in any future litigation and challenging the EPA's Final Determination will require a substantial amount of our current cash and financial resources. As Northern Dynasty does not have any revenues, and does not anticipate revenues in the foreseeable future, Northern Dynasty will require additional financing to continue its operations and to fully fund the appeal of the ROD and the challenge of the Final Determination. Northern Dynasty does not have any assurance that it will be able to achieve this financing. If Northern Dynasty is unsuccessful in its appeal of the ROD or challenge of the EPA's Final Determination, Northern Dynasty's financing options may be substantially limited and it may not be able to generate the necessary financing to enable continued operations without a substantial reduction or restructuring of the Pebble Project. The Company's inability to secure this additional required financing will negatively impact the ability of shareholders to recover their investment in the Company.

Risks Associated with 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 Northern Dynasty's business and results of operations and the operations of contractors and service providers. The extent to which the COVID-19 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 its severity and the actions taken to contain the virus or treat its impact, among others. The adverse effects on the economy, the stock market and Northern Dynasty's share price could adversely impact its 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 the Company's business and results of operations and could delay its plans for development of the Pebble Project.

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.

The Pebble Project faces concerted 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, and have been, employed by opposition groups to delay or frustrate development at Pebble, included political and public advocacy, electoral strategies, media and public outreach campaigns, attempting to purchase intervening land rights, and protest activity. These efforts could materially increase the cost and time for development of the Pebble Project and the related infrastructure, or require changes to development plans, which could adversely impact project economics.

The Pebble Partnership's Mineral Property Interests Do Not Contain Any Mineral 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. 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 43-101. These resource estimates are classified as "measured resources", "indicated resources" and "inferred resources". Northern Dynasty advises United States investors that although 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 "mineral reserves. Further, "inferred resources" have a great amount of uncertainty as to their economic and legal feasibility. Under Canadian securities law, estimates of "inferred mineral resources" cannot form the basis of feasibility or prefeasibility studies, or any economic study except a Preliminary Economic Assessment as prescribed under NI 43-101.

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.

The mineral resource estimates contained herein have not been adjusted for any risk that the required environmental permits may not be obtained for the Pebble Project. The risk associated with the ability of the Pebble Project to obtain required environmental permits is a risk to the reasonable prospects for eventual economic extraction of the mineralisation and their definition as a mineral resource.

There Is No Assurance That Northern Dynasty Will Be Able To Partner The Pebble Project.

One of Northern Dynasty's business objectives is to enter into a joint venture or other partnership arrangement with a third-party partner to fund the advancement of the development of the Pebble Project. There is no assurance that Northern Dynasty will be able to enter into an arrangement with a partner for the development of the Pebble Project, and the negative impact of the ROD and the investigations regarding the Pebble Project may negatively impact the Company's ability to enter into any arrangement. To the extent that Northern Dynasty does not enter into any agreement to partner the Pebble Project, it will continue to be required to fund all exploration and other related expenses for advancement of the Pebble Project, of which there is no assurance.

Negative Operating Cash Flow and Financing Requirements.

The Company currently has a negative operating cash flow and anticipates that it will continue to do so for the foreseeable future due to the fact that it does not have revenues from mining or any other activities. As a result the Company's plans for development of the Pebble Project, operating cash flow will continue to be negative until the Company receives revenue from production at the Pebble Project to offset expenses incurred, of which there is no assurance. 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 additional funding and there is no assurance that such funding will be achieved when required. The Company has historically relied on equity financings to finance its operations but there is no assurance that future equity financings will be available to the Company. Further, any additional equity financing may result in substantial dilution to existing shareholders. 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. Further there is no assurance that the Royalty Holder under the Royalty Agreement will exercise its right to purchase any additional rights to future gold and silver production from the Pebble Project, or that the Company will enter into additional streaming or royalty agreement financing arrangements for the Pebble Project.

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 never declared or paid any dividends on its common shares. Northern Dynasty intends, for the foreseeable future, to retain its future earnings, if any, to finance its exploration activities and its operations. 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 Condensed Consolidated Interim Financial Statements have been Prepared Assuming Northern Dynasty will continue on a Going Concern Basis.

Northern Dynasty prepared its Financial Statements on the basis that Northern Dynasty will continue as a going concern. At December 31, 2022, the Company had working capital of $14.8 million. Northern Dynasty has prioritized the allocation of its financial resources to meet key corporate and Pebble Project expenditure requirements in the near term, including the funding of the appeal of the ROD. Additional financing will be required to progress any material expenditures at the Pebble Project and for working capital. 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, any 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, Silver and Rhenium 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, silver and rhenium 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, silver and rhenium 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, silver and rhenium have fluctuated in recent years, and future significant price declines could cause investors to be unprepared to finance exploration of copper, gold, molybdenum, silver and rhenium, 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.

The Russian-Ukrainian Conflict – Potential Effects Which Could Detrimentally Affect the Global Economy, Peace and Stability in Europe and Beyond, and Our Business and Share Price

Russian military forces invaded Ukraine in February 2022. In response, Ukrainian military personnel and civilians are actively resisting the invasion. Many countries throughout the world have provided aid to the Ukraine in the form of financial aid and in some cases military equipment and weapons to assist in their resistance to the Russian invasion. The North Atlantic Treaty Organization ("**NATO**") has also mobilized forces to NATO member countries that are close to the conflict as deterrence to further Russian aggression in the region. The outcome of the conflict is uncertain and is likely to have wide-ranging consequences on the peace and stability of the region and the world economy. In addition, certain countries including Canada and the United States, have imposed strict financial and trade sanctions against Russia, which sanctions may have far reaching effects on the global economy. The long-term impacts of the conflict and the sanctions imposed on Russia remain uncertain and could have an adverse impact on the Company's business and results of operations and may have wide-ranging consequences on the peace and stability of the region and the world economy.

The conflict could affect the economies and securities markets of countries in ways that cannot necessarily be foreseen at the present time. These events could also exacerbate other pre-existing political, social and economic risks. Such events could also cause substantial market volatility, exchange trading suspensions and closures and affect the Company's performance, the price of its securities and its ability to successfully raise capital at reasonable rates or at all. As a result, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed.

Although we do not have employees, suppliers or business activities in Ukraine or Russia at this time, the conflict may have a detrimental impact on our business and operations at some point in the future if the conflict spreads, escalates or affects Europe or the world more broadly.

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 the Company's 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 the Company previously estimated. It is possible that the costs and delays associated with the compliance with such standards and regulations could become such that the Company 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 an 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 they 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 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 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 previously estimated. It is possible that the costs and delays associated with the loss of services of key personnel could become such that the Company would not proceed with the development or operation of a mine at the Pebble Project.

The Volatility of Northern Dynasty's Common Shares Can Expose Northern Dynasty to the Risk of Litigation.

Northern Dynasty's common shares are listed on the TSX and NYSE American. Securities of mining companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved (see previous risk). These factors include macroeconomic developments in North America and globally, currency fluctuations and market perceptions of the attractiveness of particular industries. The price of Northern Dynasty's common shares is also likely to be significantly affected by short-term changes in copper, gold, molybdenum, silver and rhenium prices or in Northern Dynasty's financial condition or results of operations as reflected in quarterly earnings reports.

As a result of any of these factors, the market price of Northern Dynasty's common shares at any given point in time may not accurately reflect their long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. Northern Dynasty is, and may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

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. If Northern Dynasty is unable to raise the necessary capital resources, it may at some point have to reduce or curtail its operations, which would have a material adverse effect on its ability to pursue the permitting and development of the Pebble Project.

While we may attempt to reduce the amount of additional financing required by entering into a potential joint venture or other partnership arrangement for advancement of the Pebble Project, there is no assurance that we may be able to conclude any such agreements. In addition, any joint venture or other form of partnership arrangement for the Pebble Project is anticipated to result in a dilution in our ownership interest in the Pebble Project.

There is also no assurance that we will be successful in securing any long-term project financing utilizing conventional asset level financing, debt, royalty and alternative financing options, such as stream financing. Any project debt financing that we may obtain the future will require future repayments of principal and interest from cash flows generated by the Pebble Project. Likewise, any potential sale of royalty interests in minerals produced from the Pebble Project would require future payments of royalties from cash flows generated by the Pebble Project. If we enter into any streaming arrangements for the Pebble Project, it is anticipated that we would be required to sell minerals produced from the Pebble Project at preferential rates as consideration for up-front funding provided by the party providing the stream financing. As a result, any of these financing options are anticipated to impact on the cash flows from the Pebble Project that would be available to the Company should the Pebble Project proceed to development. Our board of directors has not made any determination as to whether to proceed with any of the above forms of financing and there is no assurance that these financing options will be available to advance development of the Pebble Project.

1.15.6 Qualified Persons

Stephen Hodgson, P.Eng., and David Gaunt, P.Geo., qualified persons who are not independent of Northern Dynasty, have reviewed and approved the scientific and technical information in this MD&A.

1.15.7 U.S. Securities Matters

The Company is a "foreign issuer" under the U.S. 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, and to provide disclosure on our mineral properties, including the Pebble project, in accordance with NI 43-101 disclosure standards and CIM Definition Standards. For this reason, information contained in this MD&A in respect of the Pebble project 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.

EXHIBIT 99.4

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, 2023.

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

EXHIBIT 99.5

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, 2023.

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

EXHIBIT 99.6

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, 2022** (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, 2023.

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 99.7

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, 2022** (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, 2023.

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 99.8

Consent of Independent Registered Public Accounting Firm

We consent to the use of our reports dated March 31, 2023 relating to the financial statements of Northern Dynasty Minerals ("Northern Dynasty") and the effectiveness of Northern Dynasty's internal control over financial reporting appearing in this Annual Report on Form 40-F for the year ended December 31, 2022.

/**s**/ **Deloitte LLP**

Chartered Professional Accountants
Vancouver, Canada
March 31, 2023

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, 2022 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, 2022 (the "**AIF**").

I hereby consent to the use of my name in connection with reference to my review and approval of certain scientific and technical information and my involvement in the preparation of the following technical report (the "**Technical Report**"):

- 2023 Technical Report on the Pebble Project, Southwest Alaska, USA", effective date February 24, 2023.

and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF and the MD&A and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF and the MD&A.

Dated the 31st day of March, 2023.

Yours truly,

/David Gaunt/

David Gaunt, P.Geo.

EXHIBIT 99.10

CONSENT OF HASSAN GHAFFARI

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, 2022 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, 2022 (the "**AIF**").

I hereby consent to the use of my name in connection with reference to my review and approval of certain scientific and technical information and my involvement in the preparation of the following technical report (the "**Technical Report**"):

- 2023 Technical Report on the Pebble Project, Southwest Alaska, USA", effective date February 24, 2023.

and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF and the MD&A and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF and the MD&A.

Dated the 31st day of March, 2023.

Yours truly,

/Hassan Ghaffari/

Hassan Ghaffari, P.Eng.

EXHIBIT 99.11

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, 2022 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, 2022 (the "**AIF**").

I hereby consent to the use of my name in connection with reference to my review and approval of certain scientific and technical information and my involvement in the preparation of the following technical report (the "**Technical Report**"):

- 2023 Technical Report on the Pebble Project, Southwest Alaska, USA", effective date February 24, 2023.

and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF and the MD&A and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF and the MD&A.

Dated the 31st day of March, 2023.

Yours truly,

/Stephen Hodgson/

Stephen Hodgson, P.Eng.

EXHIBIT 99.12

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, 2022 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, 2022 (the "**AIF**").

I hereby consent to the use of my name in connection with reference to my review and approval of certain scientific and technical information and my involvement in the preparation of the following technical report (the "**Technical Report**"):

- 2023 Technical Report on the Pebble Project, Southwest Alaska, USA", effective date February 24, 2023.

and to references to the Technical Report, or portions thereof, in the Annual Report, the AIF and the MD&A and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF and the MD&A.

Dated the 31st day of March, 2023.

Yours truly,

/James Lang/

James Lang, P.Geo.

EXHIBIT 99.13

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, 2022 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, 2022 (the "**AIF**").

I hereby consent to the use of my name in connection with reference to my review and approval of certain scientific and technical information and 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 and the MD&A and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report, the AIF and the MD&A.

Dated the 31st day of March, 2023.

Yours truly,

/Eric Titley/

Eric Titley, P.Geo.