

DISTRIBUTION PROTOCOL

This Distribution Protocol should be read in conjunction with the Settlement Agreement dated August 30, 2023 (“**Settlement Agreement**”).

DEFINED TERMS

1. Unless otherwise defined herein, capitalized terms used are as defined in the Settlement Agreement. In addition, the following definitions apply to this Distribution Protocol:
 - (a) **Acquisition Expense** means the price per security paid by a Claimant (including brokerage commissions) to acquire an Eligible Security;
 - (b) **Claimant** means a Class Member who submits a properly completed Claim Form and all required supporting documentation to the Administrator on or before the Claims Bar Deadline;
 - (c) **Claims Bar Deadline** means 11:59pm Vancouver (Pacific) time on the date that is one hundred and eighty (180) calendar days after the date on which the First Notice is first published or such other date as may be fixed by the Court;
 - (d) **FIFO** means “first in, first out”, whereby for the purpose of determining Claimants’ Notional Entitlement, securities are deemed to be sold in the same order that they were purchased (e.g. the first Eligible Securities purchased by a Claimant are deemed to be the first Eligible Securities sold); and
 - (e) **Notional Entitlement** means an Authorized Claimant’s notional damages as calculated pursuant to the formulae set forth in this Distribution Protocol, which forms the basis upon which each Authorized Claimant’s *pro rata* share of the Net Settlement Amount is determined.

OBJECTIVE

2. The objective of this Distribution Protocol is to equitably distribute the Net Settlement Amount among Authorized Claimants.

CALCULATION OF NOTIONAL ENTITLEMENT

3. The Net Settlement Amount will be distributed in accordance with this Distribution Protocol.
4. The Administrator shall apply FIFO to determine the purchase transactions that correspond to the sale of Eligible Securities, including in the calculation of an Authorized Claimant's Notional Entitlement.
5. The Administrator shall first determine a Claimant's Notional Entitlement. If the Claimant has a Notional Entitlement greater than zero, they become an Authorized Claimant, and the Administrator will go on to calculate the Authorized Claimant's monetary compensation. A Claimant must have a Notional Entitlement greater than zero in order to be eligible to receive a payment from the Net Settlement Amount.
6. Transfers of Northern Dynasty Minerals Ltd. ("NDM") securities between accounts belonging to the same Claimant will not be taken into account in determining a Claimant's Notional Entitlement.
7. The date of a purchase or sale shall be the trade date of the transaction, as opposed to the settlement date of the transaction or the payment date.
8. An Authorized Claimant's Notional Entitlement will be calculated as follows:

No Notional Entitlement

- (a) No Notional Entitlement shall be recognized for any Eligible Securities acquired

from and including March 29, 2018 to and including August 23, 2020, and disposed of on or before August 23, 2020.

- (b) No Notional Entitlement shall be recognized for any Eligible Securities acquired from and including August 24, 2020 to and including November 24, 2020, and disposed of on or before November 24, 2020.

Secondary Market Purchases of NDM Common Shares

- (c) For each NDM common share acquired in the secondary market from March 29, 2018 to August 23, 2020 (inclusive), and disposed of between August 24, 2020 and November 24, 2020 (inclusive), the Notional Entitlement shall be the difference between the Acquisition Expense and CAD\$1.15.¹
- (d) For each NDM common share acquired in the secondary market from March 29, 2018 to November 25, 2020 (inclusive), and disposed of on or after November 25, 2020, the Notional Entitlement shall be the difference between the Acquisition Expense and CAD\$0.48.²
- (e) For each NDM common share acquired in the secondary market from March 29, 2018 to November 25, 2020 (inclusive), and not disposed of, the Notional Entitlement shall be the difference between the Acquisition Expense and CAD\$0.48.

Secondary Market Purchases of NDM Warrants

- (f) For each NDM warrant (issued by NDM in 2016 with an exercise price of \$0.65

¹ \$1.15 is the volume weighted average trading price for NDM common shares during the ten days following August 23, 2020.

² \$0.48 is the volume weighted average trading price for NDM common shares during the ten days following November 25, 2020.

that expired on or about June 10, 2021) (“**NDM 2016 Warrants**”) acquired in the secondary market from March 29, 2018 to August 23, 2020 (inclusive), and disposed of between August 24, 2020 and November 24, 2020 (inclusive), the Notional Entitlement shall be the difference between the Acquisition Expense and CAD\$0.57.³

- (g) For each NDM 2016 Warrant acquired in the secondary market from March 29, 2018 to November 25, 2020 (inclusive), and disposed of on or after November 25, 2020, the Notional Entitlement shall be the difference between the Acquisition Expense and CAD\$0.08.⁴
- (h) For each NDM 2016 Warrant acquired in the secondary market from March 29, 2018 to November 25, 2020 (inclusive), and not disposed of, the Notional Entitlement shall be the difference between the Acquisition Expense and CAD\$0.08.
- (i) Where a Claimant acquired NDM common shares through the exercise of a NDM 2016 Warrant between March 29, 2018 and November 25, 2020 (inclusive), the common shares so acquired shall be treated as Eligible Securities. The Acquisition Expense for the common shares so acquired shall be CAD\$0.65. The Notional Entitlement with respect to those common shares shall otherwise be determined in accordance with sub-paragraphs (c) to (e) above.

³ \$0.57 is the volume weighted average trading price for NDM 2016 Warrants during the ten days following August 23, 2020.

⁴ \$0.08 is the volume weighted average trading price for NDM 2016 Warrants during the ten days following November 25, 2020.

Purchases of NDM Special Warrants in the December 2018 Offering, Converted into NDM Common Shares

- (j) Subject to sub-paragraph (m), for each NDM common share acquired on or around February 19, 2019 through the conversion of a NDM special warrant originally acquired in the December 2018 private placement, the Notional Entitlement shall be zero.⁵
- (k) Subject to sub-paragraph (m), for each NDM common share acquired on or around February 19, 2019 through the conversion of a NDM special warrant originally acquired in the December 2018 private placement, and disposed of on or after November 25, 2020, the Notional Entitlement shall be CAD\$0.35 (being the difference between CAD\$0.83 and CAD\$0.48).
- (l) Subject to sub-paragraph (m), for each NDM common share acquired on or around February 19, 2019 through the conversion of a NDM special warrant originally acquired in the December 2018 private placement, and not disposed of, the Notional Entitlement shall be CAD\$0.35 (being the difference between CAD\$0.83 and CAD\$0.48).
- (m) The Notional Entitlement calculated in accordance with sub-paragraphs (j) to (l) shall be multiplied by 0.75.

Purchases of NDM Common Shares in the March 2019 Offering

- (n) Subject to sub-paragraph (q), for each NDM common share acquired in the March 2019 private placement or prospectus offering, and disposed of between August 24,

⁵ This is because the offering price was below CAD\$1.15, being the volume weighted average trading price for NDM common shares during the ten days following August 23, 2020.

2020 and November 24, 2020 (inclusive), the Notional Entitlement shall be zero.⁶

- (o) Subject to sub-paragraph (q), for each NDM common share acquired in the March 2019 private placement or prospectus offering, and disposed of on or after November 25, 2020, the Notional Entitlement shall be CAD\$0.37 (being the difference between CAD\$0.85⁷ and CAD\$0.48).
- (p) Subject to sub-paragraph (q), for each NDM common share acquired in the March 2019 private placement or prospectus offering, and not disposed of, the Notional Entitlement shall be CAD\$0.37 (being the difference between CAD\$0.85 and CAD\$0.48).
- (q) For each NDM common share acquired in the March 2019 private placement (as opposed to the prospectus offering), the Notional Entitlement calculated in accordance with sub-paragraphs (n) to (p) shall be multiplied by 0.75.

Purchases of NDM Common Shares in the June 2019 Offering

- (r) Subject to sub-paragraph (u), for each NDM common share acquired in the June 2019 private placement or prospectus offering, and disposed of between August 24, 2020 and November 24, 2020 (inclusive), the Notional Entitlement shall be zero.⁸
- (s) Subject to sub-paragraph (u), for each NDM common share acquired in the June 2019 private placement or prospectus offering, and disposed of on or after November 25, 2020, the Notional Entitlement shall be CAD\$0.06 (being the

⁶ This is because the offering price was below CAD\$1.15, being the volume weighted average trading price for NDM common shares during the ten days following August 23, 2020.

⁷ This is the Canadian dollar equivalent of the US\$0.64 offering price, converted using the Bank of Canada daily exchange rate on March 18, 2019 (US\$1.00=CAD\$1.3345).

⁸ This is because the offering price was below CAD\$1.15, being the volume weighted average trading price for NDM common shares during the ten days following August 23, 2020.

difference between CAD\$0.54⁹ and CAD\$0.48).

- (t) Subject to sub-paragraph (u), for each NDM common share acquired in the June 2019 private placement or prospectus offering, and not disposed of, the Notional Entitlement shall be CAD\$0.06 (being the difference between CAD\$0.54 and CAD\$0.48).
- (u) For each NDM common share acquired in the June 2019 private placement (as opposed to the prospectus offering), the Notional Entitlement calculated in accordance with sub-paragraphs (r) to (t) shall be multiplied by 0.75.

Purchases of NDM Common Shares in the August 2019 Offering

- (v) Subject to sub-paragraph (y), for each NDM common share acquired in the August 2019 private placement or prospectus offering, and disposed of between August 24, 2020 and November 24, 2020 (inclusive), the Notional Entitlement shall be zero.¹⁰
- (w) Subject to sub-paragraph (y), for each NDM common share acquired in the August 2019 private placement or prospectus offering, and disposed of on or after November 25, 2020, the Notional Entitlement shall be CAD\$0.52 (being the difference between CAD\$1.00¹¹ and CAD\$0.48).
- (x) Subject to sub-paragraph (y), for each NDM common share acquired in the August 2019 private placement or prospectus offering, and not disposed of, the Notional Entitlement shall be CAD\$0.52 (being the difference between CAD\$1.00 and

⁹ This is the Canadian dollar equivalent of the US\$0.41 offering price, converted using the Bank of Canada daily exchange rate on June 24, 2019 (US\$1.00=CAD\$1.3194).

¹⁰ This is because the offering price was below CAD\$1.15, being the volume weighted average trading price for NDM common shares during the ten days following August 23, 2020.

¹¹ This is the Canadian dollar equivalent of the US\$0.75 offering price, converted using the Bank of Canada daily exchange rate on August 14, 2019 (US\$1.00=CAD\$1.3311).

CAD\$0.48).

- (y) For each NDM common share acquired in the August 2019 private placement (as opposed to the prospectus offering), the Notional Entitlement calculated in accordance with sub-paragraphs (v) to (x) shall be multiplied by 0.75.

Purchases of NDM Common Shares in the December 2019 Offering

- (z) Subject to sub-paragraph (cc), for each NDM common share acquired in the December 2019 private placement or prospectus offering, and disposed of between August 24, 2020 and November 24, 2020 (inclusive), the Notional Entitlement shall be zero.¹²
- (aa) Subject to sub-paragraph (cc), for each NDM common share acquired in the December 2019 private placement or prospectus offering, and disposed of on or after November 25, 2020, the Notional Entitlement shall be CAD\$0.01 (being the difference between CAD\$0.49¹³ and CAD\$0.48).
- (bb) Subject to sub-paragraph (cc), for each NDM common share acquired in the December 2019 private placement or prospectus offering, and not disposed of, the Notional Entitlement shall be CAD\$0.01 (being the difference between CAD\$0.49 and CAD\$0.48).
- (cc) For each NDM common share acquired in the December 2019 private placement (as opposed to the prospectus offering), the Notional Entitlement calculated in accordance with sub-paragraphs (z) to (bb) shall be multiplied by 0.75.

¹² This is because the offering price was below CAD\$1.15, being the volume weighted average trading price for NDM common shares during the ten days following August 23, 2020.

¹³ This is the Canadian dollar equivalent of the US\$0.37 offering price, converted using the Bank of Canada daily exchange rate on December 18, 2019 (US\$1.00=CAD\$1.3119).

Purchases of NDM Common Shares in the May 2020 Offering

- (dd) Subject to sub-paragraph (gg), for each NDM common share acquired in the May 2020 private placement or prospectus offering, and disposed of between August 24, 2020 and November 24, 2020 (inclusive), the Notional Entitlement shall be zero.¹⁴
- (ee) Subject to sub-paragraph (gg), for each NDM common share acquired in the May 2020 private placement or prospectus offering, and disposed of on or after November 25, 2020, the Notional Entitlement shall be CAD\$0.22 (being the difference between CAD\$0.70 and CAD\$0.48).
- (ff) Subject to sub-paragraph (gg), for each NDM common share acquired in the May 2020 private placement or prospectus offering, and not disposed of, the Notional Entitlement shall be CAD\$0.22 (being the difference between CAD\$0.70 and CAD\$0.48).
- (gg) For each NDM common share acquired in the May 2020 private placement (as opposed to the prospectus offering), the Notional Entitlement calculated in accordance with sub-paragraphs (dd) to (ff) shall be multiplied by 0.75.

Purchases of NDM Common Shares in the July 2020 Offering

- (hh) Subject to sub-paragraph (kk), for each NDM common share acquired in the July 2020 private placement or prospectus offering, and disposed of between August 24, 2020 and November 24, 2020 (inclusive), the Notional Entitlement shall be CAD\$0.83 (being the difference between CAD\$1.98¹⁵ and CAD\$1.15).

¹⁴ This is because the offering price was below CAD\$1.15, being the volume weighted average trading price for NDM common shares during the ten days following August 23, 2020.

¹⁵ This is the Canadian dollar equivalent of the US\$1.46 offering price, converted using the Bank of Canada daily exchange rate on July 15, 2020 (US\$1.00=CAD\$1.3534).

- (ii) Subject to sub-paragraph (kk), for each NDM common share acquired in the July 2020 private placement or prospectus offering, and disposed of on or after November 25, 2020, the Notional Entitlement shall be CAD\$1.50 (being the difference between CAD\$1.98 and CAD\$0.48).
- (jj) Subject to sub-paragraph (kk), for each NDM common share acquired in the July 2020 private placement or prospectus offering, and not disposed of, the Notional Entitlement shall be CAD\$1.50 (being the difference between CAD\$1.98 and CAD\$0.48).
- (kk) For each NDM common share acquired in the July 2020 private placement (as opposed to the prospectus offering), the Notional Entitlement calculated in accordance with sub-paragraphs (hh) to (jj) shall be multiplied by 0.75.

CALCULATION OF MONETARY COMPENSATION AND DISTRIBUTION

- 9. Each Authorized Claimant's actual compensation shall be the portion of the Net Settlement Amount equivalent to the ratio of his, her or its Notional Entitlement to the total Notional Entitlements of all Authorized Claimants multiplied by the Net Settlement Amount, as calculated by the Administrator.
- 10. Compensation shall be paid to Authorized Claimants in Canadian currency.
- 11. If, one hundred eighty (180) days from the date on which the Administrator distributes the Net Settlement Amount to Authorized Claimants, the Escrow Account remains in a positive balance (whether due to tax refunds, uncashed cheques, or otherwise), the Administrator shall, if feasible, reallocate such balance among the Authorized Claimants in an equitable and economic fashion. If, in the opinion of the Administrator, it is not feasible to reallocate

any remaining balance among the Authorized Claimants in an equitable and economic fashion, such balance shall be distributed to the Law Foundation of British Columbia.

12. By agreement between the Administrator and Class Counsel, any deadline contained in this Distribution Protocol may be extended. Class Counsel and the Administrator shall agree to extend a deadline(s) if, in their opinions, doing so will not adversely affect the efficient administration of the Settlement and it is in the best interests of the Class to do so.

CLAIMS PROCESS

13. In order to seek payment from the Settlement Amount, a Class Member shall submit a completed Claim Form to the Administrator on or before the Claims Bar Deadline.
14. The Administrator shall review each Claim Form and verify that the Claimant is eligible for compensation from the Net Settlement Amount, as follows:
 - (a) for a Claimant claiming as a Class Member, the Administrator shall be satisfied that the Claimant is a Class Member; or
 - (b) for a Claimant claiming on behalf of a Class Member or a Class Member's estate, the Administrator shall be satisfied that:
 - A. the Claimant has authority to act on behalf of the Class Member or the Class Member's estate in respect of financial affairs;
 - B. the person or estate on whose behalf the claim was submitted was a Class Member; and
 - C. the Claimant has provided all supporting documentation required by the Claim Form or alternative documentation acceptable to the Administrator.

15. The Administrator shall ensure that only claims for compensation in respect of Eligible Securities in the Claim Form are approved.
16. If, for any reason, a Claimant is unable to complete the Claim Form then it may be completed by the Claimant's personal representative or a member of the Claimant's family duly authorized by the Claimant to the satisfaction of the Administrator.

IRREGULAR CLAIMS

17. The claims process is intended to be expeditious, cost effective and "user friendly" to minimize the burden on Claimants. The Administrator shall, in the absence of reasonable grounds to the contrary, assume Claimants to be acting honestly and in good faith. The Administrator shall use email for correspondence with Claimants to the maximum extent possible.
18. Where a Claim Form contains minor omissions or errors, the Administrator shall correct such omissions or errors if the information necessary to correct the error or omission is readily available to the Administrator.
19. In order to remedy any deficiency in the completion of a Claim Form, the Administrator may require and request that additional information be submitted by a Class Member who submits a Claim Form. Such Class Members shall have until the later of sixty (60) days from the date of the request from the Administrator or the Claims Bar Deadline to rectify the deficiency. Any person who does not respond to such a request for information within this period shall be forever barred from receiving any payments pursuant to the Settlement, subject to any order of the Court to the contrary, but will in all other respects be subject to and bound by the provisions of the Settlement Agreement and the releases contained therein.

20. The claims process is also intended to prevent fraud and abuse. If, after reviewing any Claim Form, the Administrator believes that the claim contains unintentional errors which would materially exaggerate the Notional Entitlement of the Claimant, then the Administrator may disallow the claim in its entirety or make such adjustments so that an appropriate Notional Entitlement is allocated to the Claimant. If the Administrator believes that the claim is fraudulent or contains intentional errors which would materially exaggerate the Notional Entitlement of the Claimant, then the Administrator shall disallow the claim in its entirety.
21. Where the Administrator disallows a claim in its entirety, the Administrator shall send to the Claimant, at the email or postal address provided by the Claimant or the Claimant's last known email or postal address, a notice advising that the claim has been disallowed and that the Claimant may request the Administrator to reconsider its decision. For greater certainty, a Claimant is not entitled to a notice or a review where a claim is allowed but the Claimant disputes the amount of his, her or its Notional Entitlement or his, her or its individual compensation.
22. Any request for reconsideration must be received by the Administrator within 45 days of the date of the notice advising of the disallowance. If no request is received within this time period, the Claimant shall be deemed to have accepted the Administrator's determination and the determination shall be final and not subject to further review by any court or other tribunal.
23. Where a Claimant files a request for reconsideration with the Administrator, the Administrator shall advise Class Counsel of the request and conduct an administrative review of the Claimant's complaint.

24. Following its determination in an administrative review, the Administrator shall advise the Claimant of its determination. In the event the Administrator reverses a disallowance, the Administrator shall send the Claimant, at the email or postal address provided by the Claimant or the Claimant's last known email or postal address, a notice specifying the revision to the Administrator's disallowance.
25. The determination of the Administrator in an administrative review is final and is not subject to further review by any court or other tribunal.
26. Any matter not referred to above shall be determined by analogy by the Administrator in consultation with Class Counsel.
27. No action shall lie against Class Counsel or the Administrator for any decision made in the administration of the Settlement Agreement and the Distribution Protocol without an order from a Court authorizing such an action.