

GUIDE TO THE DISTRIBUTION PROTOCOL

This document is intended as a guide to assist in understanding the Distribution Protocol. Calculation of specific potential entitlements may vary depending on facts applicable to individual Class Members. If anything in this guide is inconsistent with any provisions in the Distribution Protocol, the provisions in the Distribution Protocol will apply. The Distribution Protocol can be found at: <https://www.siskinds.com/class-action/northern-dynasty-minerals-ltd/>

PART 1 - BACKGROUND

The Settlement Agreement dated August 30, 2023 provides for the amount of USD\$2.125 million to be paid into a fund to be distributed to Authorized Claimants, after deductions for certain expenses as described below. The Distribution Protocol sets out the method for the distribution of the remainder among Authorized Claimants.

Q: Who are Authorized Claimants?

An Authorized Claimant is a Class Member who has submitted a completed Claim Form which, pursuant to the terms of the Agreement and the Distribution Protocol, has been approved for compensation by the Administrator in accordance with the Distribution Protocol.

Class or Class Members means, except for Excluded Persons or Opt Out Parties:

all persons and entities, wherever they may reside or be domiciled, who acquired securities of Northern Dynasty between March 29, 2018 and November 25, 2020, inclusive, and held some or all of those securities as of August 22, 2020 or November 25, 2020.

The terms “Excluded Persons” and “Opt Out Parties” have the meanings given to them in the Settlement Agreement and, as applicable, the Order of the Court dated November 3, 2023.

Q: How much money will be distributed to Authorized Claimants?

Certain expenses will be deducted from the Settlement Amount before the balance is distributed to Authorized Claimants. Those expenses include legal fees, disbursements, taxes, the costs of providing notice to Class Members and settlement administration expenses. All expenses must be approved by the Court. The remainder, after the deduction of these Court approved expenses, is called the “Net Settlement Amount.” The precise amount of the Net Settlement Amount will only be known at the end of the claims administration process. The Net Settlement Amount will be distributed to Authorized Claimants in accordance with the Distribution Protocol.

PART 2 - DISTRIBUTION OF THE NET SETTLEMENT AMOUNT

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 (explained below) to the total Notional Entitlements of all Authorized Claimants multiplied by the Net Settlement Amount, as calculated by the Administrator.

For illustration purposes only, if an Authorized Claimant’s Notional Entitlement is \$20,000.00, and the total Notional Entitlements of all Authorized Claimants is \$2,000,000, then the Authorized

Claimant's entitlement to compensation would be 1% of the Net Settlement Amount (\$20,000/\$2,000,000).

PART 3 – ELIGIBILITY & DETERMINING ENTITLEMENTS

Q: Which NDM Minerals Ltd. (“NDM”) Securities are eligible?

Eligible Securities, as that term is used in the Settlement Agreement and Distribution Protocol, are NDM Securities, the acquisition of which made a person a Class Member. In other words, assuming you are not an “Excluded Person” or an “Opt Out Party”, the NDM common shares and warrants you acquired from March 29, 2018 to November 25, 2020 are “Eligible Securities”.

Q: How will each Authorized Claimant's Notional Entitlement be calculated?

No Notional Entitlement: No Notional Entitlement shall be recognized for any Eligible Securities acquired from March 29, 2018 to August 23, 2020 (inclusive), and disposed of on or before August 23, 2020, and acquired from August 24, 2020 to November 24, 2020 (inclusive), and disposed of on or before November 24, 2020.

Formula for common shares acquired in the secondary market or through a public prospectus offering: The formula for calculating an Authorized Claimant's Notional Entitlement for NDM common shares acquired in the secondary market or through a public prospectus offering from March 29, 2018 to November 25, 2020 varies depending on when the Authorized Claimant disposed of the common shares, as follows:

- (a) For each NDM common share acquired from March 29, 2018 to August 23, 2020 (inclusive), 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.
- (b) For each NDM common share acquired 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.
- (c) For each NDM common share not yet disposed of, the Notional Entitlement shall be the difference between the Acquisition Expense and CAD\$0.48.

Acquisition Expense means the price paid to acquire the security, including brokerage commissions.

CAD\$1.15 is the 10-day volume weighted average common share price following the August 23, 2020 public correction of the misrepresentations.

CAD\$0.48 is the 10-day volume weighted average common share price following the November 25, 2020 public correction of the misrepresentations.

Formula for warrants: The formula for calculating an Authorized Claimant's Notional Entitlement for NDM warrants (issued in 2016 with an exercise price of \$0.65 that expired on or about June 10, 2021) acquired from March 29, 2018 to November 25, 2020 varies depending on when the Authorized Claimant disposed of the warrants, as follows:

- (a) For each NDM 2016 warrant acquired from March 29, 2018 to August 23, 2020 (inclusive), 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.
- (b) For each NDM 2016 warrant acquired 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.
- (c) For each NDM 2016 warrant not disposed of, the Notional Entitlement shall be the difference between the Acquisition Expense and CAD\$0.08.

CAD\$0.57 is the 10-day volume weighted average NDM 2016 warrant price following the August 23, 2020 public correction of the misrepresentations.

CAD\$0.48 is the 10-day volume weighted average NDM 2016 warrant price following the November 25, 2020 public correction of the misrepresentations.

Formula for securities acquired via private placement: The formula for calculating the Notional Entitlement for common shares acquired via private placement and Special Warrants Converted into Common Shares is the same as for common shares except a 25% deduction is applied.

Examples for illustration purposes only:

Example 1:

For a Class Member who acquired 100 of NDM's common shares on March 29, 2018 for \$2.01 (including brokerage fees) per share and disposed of those shares on August 24, 2020, the Notional Entitlement would be \$86:

Acquisition Expense: $\$2.01 * 100 = \201

CAD\$1.15 per share: $\$1.15 * 100 = \115

Acquisition Expense less CAD\$1.15 per share: $\$201 - \$115 = \underline{\$86}$

Example 2:

For a Class Member who acquired 100 of NDM's common shares on March 29, 2018 for \$2.01 (including brokerage fees) per share and disposed of those shares on November 25, 2020, the Notional Entitlement would be \$153:

Acquisition Expense: $\$2.01 * 100 = \201

CAD\$0.48 per share: $\$0.48 * 100 = \48

Acquisition Expense less CAD\$0.48 per share: $\$201 - \$48 = \underline{\$153}$

Example 3:

For a Class Member who acquired 100 of NDM's common shares on March 29, 2018 for \$2.01 (including brokerage fees) per share and has not yet disposed of those shares, the Notional Entitlement would be \$153:

Acquisition Expense: $\$2.01 * 100 = \201

CAD\$0.48 per share: $\$0.49 * 100 = \48

Acquisition Expense less CAD\$0.48 per share: $\$201 - \$48 = \underline{\$153}$

Example 4:

For a Class Member who acquired 100 of NDM's common shares via a private placement that closed on or around March 18, 2019 for CAD\$0.85 and has not yet disposed of those shares, the Notional Entitlement would be \$27.75:

Acquisition Expense: $\$0.85 * 100 = \85

CAD\$0.48 per share: $\$0.48 * 100 = \48

Acquisition Expense less CAD\$0.48 per share multiplied by 0.75: $(\$85 - \$48) * 0.75 = \underline{\$27.75}$

PART 4 - CURRENCY

All funds will be paid in Canadian currency.

PART 5 - PAYMENTS TO AUTHORIZED CLAIMANTS

The claims administrator will make payment to Authorized Claimants by cheque or electronic transfer in Canadian currency.

PART 6 - REMAINING AMOUNTS

If Authorized Claimants do not cash cheques within 180 days after the date of distribution or funds otherwise remain after the Authorized Claimants are paid, the aggregate amount of such uncashed cheques will be allocated among all other Authorized Claimants, if feasible. If not feasible, such balance shall be allocated to the Law Foundation of British Columbia.