

NORTHERN DYNASTY MINERALS LTD  
Form F-3  
February 13, 2015

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM F-3**

**REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**

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**NORTHERN DYNASTY MINERALS LTD.**

(Exact name of Registrant as specified in its charter)

**British Columbia, Canada**

(State or other jurisdiction of  
incorporation or organization)

**Not Applicable**

(I.R.S. Employer Identification No.)

**15<sup>th</sup> Floor, 1040 West Georgia Street**  
**Vancouver, British Columbia**  
**Canada V6E 4H1**  
**Tel: (604) 684-6365**

(Address and telephone number of Registrant's principal executive offices)

**Pebble East Claims Corporation**  
**3201 C Street, Suite 604**  
**Anchorage, Alaska, USA 99503**  
**Tel: 1-877-450-2600**

(Name, address, and telephone number of agent for service)

***Copies to:***

**Michael H. Taylor**  
**McMillan LLP**  
**15th Floor, 1055 West Georgia Street**  
**Vancouver, British Columbia**  
**Canada V6E 4N7**  
**Tel: (604) 689-9111**

**From time to time after the effective date of this registration statement**

(Approximate date of commencement of proposed sale to public)

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If only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

☐ [ ]

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

☒ [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

☐ [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

☐ [ ]

If this Form is a registration statement pursuant to General Instruction I.C. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

☐ [ ]

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

☐ [ ]

#### CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered <sup>(1),(2)</sup>	Proposed Maximum Offering Price Per Common Share <sup>(3)</sup>	Proposed Maximum Aggregate Offering Price <sup>(3)</sup>	Amount of Registration Fee <sup>(3)</sup>
Common Shares, no par value	18,839,146	\$0.59 per Common Share	\$11,115,096.14	\$1,291.57
Common Share Purchase Rights <sup>(4)</sup>	18,839,146 <sup>(4)</sup>	-	-	-
<b>Total</b>			\$11,115,096.14	\$1,291.57

- (1) Total represents 18,839,146 common shares issuable upon exercise of 18,839,146 Special Warrants, all of which common shares are to be offered by the selling shareholders of the Registrant named herein.
- (2) Pursuant to Rule 416 under the Securities Act of 1933, this Registration Statement shall be deemed to cover any additional securities to be offered or issued from stock splits, stock dividends or similar transactions.
- (3) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(c) under the Securities Act of 1933 based on the average of the high and low prices of the Registrant's common shares reported on the NYSE MKT on February 6, 2015.
- (4) Attached to and trading with each of the Registrant's common shares registered hereunder is a right (the **Right**) to purchase a number of common shares on the terms and conditions set forth in the Registrant's Shareholder Rights Plan Agreement. Prior to the occurrence of certain events, the Rights will not be exercisable or evidenced separately from the Registrant's common shares, and will have no value, except as reflected in the market price of the Registrant's common shares to which they are attached. No additional registration fee is required.

**THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.**



**The information contained in this prospectus is not complete and may be changed. The selling shareholders named in this prospectus may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED FEBRUARY 6, 2015**

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## **NORTHERN DYNASTY MINERALS LTD.**

**18,839,146 common shares,  
without par value**

This prospectus relates to the offer and sale from time to time (the **Offering**) by the selling shareholders identified in this prospectus of up to 18,839,146 common shares of Northern Dynasty Minerals Ltd. (the **Company**) to be distributed without additional payment upon the exercise or deemed exercise of 18,839,146 special warrants (the **Special Warrants**) of the Company held by the selling shareholders. The Special Warrants were issued to the selling shareholders by the Company in private placements transactions that completed on December 31, 2014 (the **Closing Date**) pursuant to subscription agreements entered into between the Company and the selling shareholders. The common shares are being registered pursuant to registration rights agreements entered into between the Company and the selling shareholders. This prospectus also relates to such indeterminate number of common shares as may be issuable with respect thereto as a result of stock splits, stock dividends or similar transactions

The selling shareholders will receive all of the proceeds from any sales of the common shares offered pursuant to this prospectus. We will not receive any of these proceeds, but we will incur expenses in connection with the offering.

The selling shareholders may sell the common shares at various times and in various types of transactions, including sales in the open market, sales in negotiated transactions and sales by a combination of these methods. Shares may be sold at the market price of the common shares at the time of a sale, at prices relating to the market price over a period of time, or at prices negotiated with the buyers of shares.

The common shares of the Company are traded on the NYSE MKT LLC (the **NYSE MKT**) and on the Toronto Stock Exchange ( **TSX** ) under the symbols **NAK** and **NDM** , respectively. On February 6, 2015, the closing price of the common shares, as reported on the NYSE MKT, was \$0.59 per share and the TSX was C\$0.73 per share.

The principal executive office of the Company is located at 15th Floor, 1040 West Georgia Street, Vancouver, British Columbia, Canada V6E 4H1 and its telephone number is (604) 684-6365.

**An investment in our common shares involves significant risks. You should carefully consider the risk factors included in this prospectus under the heading **Risk Factors** beginning on page 13 of this prospectus, as well as those risk factors that we have incorporated by reference into this prospectus and that we may include in any prospectus supplement.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

**THE DATE OF THIS PROSPECTUS IS \_\_\_\_\_, 2015.**

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## ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form F-3 that we filed with the Securities and Exchange Commission ( **SEC** ) under the *Securities Act of 1933*, as amended (the **Securities Act** ) using a continuous offering process. Under this continuous offering process, the selling shareholders may from time to time sell the common shares described in this prospectus in one or more offerings. We will not receive any of the proceeds from these sales, but we will incur expenses in connection with the offering.

No offer to sell these securities is being made in any jurisdiction where the offer or sale is not permitted. You should not consider this prospectus to be an offer or solicitation relating to the securities in any jurisdiction in which such an offer or solicitation relating to the securities is not authorized. Furthermore, you should not consider this prospectus to be an offer or solicitation relating to the securities if the person making the offer or solicitation is not qualified to do so, or if it is unlawful for you to receive such an offer or solicitation.

These shares have not been registered under the securities laws of any state or other jurisdiction as of the date of this prospectus. The selling stockholders should not make an offer of these shares in any state where the offer is not permitted.

This prospectus does not constitute a prospectus under Canadian securities laws and accordingly does not qualify the resale of the common shares on the TSX or otherwise in Canada. The common shares offered hereby may not be sold on or through the facilities of the TSX and may only be resold in Canada in compliance with exemptions from prospectus and registration requirements under applicable Canadian securities laws. The Company has filed a separate prospectus with Canadian securities regulatory authorities under Canadian securities laws in respect of the issuance of the common shares offered hereby, however the issuance by Canadian securities regulators of a receipt for such Canadian prospectus will have no impact on the ability of the holders of the common shares to resell the common shares within the United States.

You should rely only on information contained or incorporated by reference in this prospectus or in any prospectus supplement hereto. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it.

You should assume that the information appearing in this prospectus is accurate as of the date on the front cover of this prospectus only. Our business, financial condition, results of operations and prospects may have subsequently changed.

Unless the context otherwise requires, all references in this prospectus to the **Company** , **Northern Dynasty** , **we** , **us** , **our** or **our company** refer, collectively, to Northern Dynasty Minerals Ltd. and its subsidiaries.

Unless otherwise indicated, in this prospectus, all references to **dollars** , or **\$** are to United States dollars. References in this Prospectus to **C\$** are to Canadian dollars. The consolidated financial statements incorporated by reference into this prospectus, and the financial data derived from those consolidated financial statements, are presented in Canadian dollars.



## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes or incorporates by reference certain statements that constitute forward-looking statements within the meaning of the United States *Private Securities Litigation Reform Act of 1995*. These statements appear in a number of places in this prospectus 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 prospectus or in documents incorporated by reference in this prospectus, words such as believe, anticipate, estimate, project, intend, expect, may, will, plan, 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. Additional forward-looking statements include, among others, statements regarding:

• 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, and to obtain required operating permits;

• our expected financial performance in future periods;

• our plan of operations, including our plans to carry out exploration and development activities; and

• our ability to raise capital for exploration and development activities.

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

• that we will be ultimately able to obtain permitting for a mine at the Pebble Project;

• that the market prices of copper and gold will not decline significantly nor for a lengthy period of time;

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

• that key personnel will continue their employment with us;

• our ability to obtain the necessary expertise in order to carry out our exploration and development activities within the planned time periods; and

• our ability to obtain 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 never obtain permitting for a mine at the Pebble Project for technical, legal or political reasons;

• the existence of concerted opposition to the Pebble Project;

**&#149** our ability to continue to fund our exploration and development activities;

**&#149** the costs of development and operation of the Pebble Project may be greater than we anticipate;

**&#149** the speculative nature of the mineral resource exploration business;

**&#149** the lack of known reserves on our Pebble Project;

**&#149** our inability to establish that our Pebble Project contains commercially viable deposits of ore;

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- #149** our ability to recover the financial statement carrying values of our Pebble Project if the Company ceases to continue on a going concern basis;
- #149** our history of financial losses;
- #149** our ability to continue on a going concern basis;
- #149** the volatility of gold, copper and molybdenum prices;
- #149** the inherent risk involved in the exploration, development and production of minerals;
- #149** changes in, or the introduction of new, government regulations relating to mining, including laws and regulations relating to the protection of the environment;
- #149** the presence of unknown environmental hazards on our Pebble Project;
- #149** our inability to insure our operations against all risks;
- #149** the highly competitive nature of our business;
- #149** the historical volatility in our share price;
- #149** the potential dilution to our shareholders resulting from any future equity financings; and
- #149** the potential dilution to our shareholders from the exercise of share purchase options to purchase our shares.

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.

Readers are advised to carefully review and consider the risk factors identified in this prospectus and in the documents incorporated by reference herein for a discussion of the factors that could cause the Company's 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. Readers are specifically referred to our annual information form for the year ended December 31, 2013 (our **2013 AIF**) and our management discussion and analysis for the year ended December 31, 2013 (our **2013 MD&A**) for a more detailed discussion of the risks that we face, as well as the risk factors identified under Risk Factors below. Each of our 2013 AIF and our 2013 MD&A are attached to our annual report on Form 40-F for the year ended December 31, 2013 that is incorporated by reference herein. Readers are further cautioned that the foregoing list of assumptions and risk factors is not exhaustive.

The Company's forward-looking statements and information are based on the assumptions, beliefs, expectations and opinions of management as of the date such statements are made. The Company will update forward-looking statements and information if and when, and to the extent, required by applicable securities laws. Readers should not place undue reliance on forward-looking statements. The forward-looking statements and information contained herein are expressly qualified by this cautionary statement.



**CAUTIONARY NOTES TO UNITED STATES INVESTORS CONCERNING  
MINERAL RESERVE AND RESOURCE ESTIMATES**

This prospectus, 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. Unless otherwise indicated, all resource estimates contained in or incorporated by reference in this prospectus have been prepared in accordance with NI 43-101. These standards differ significantly from the requirements of the SEC, and resource information contained herein and incorporated by reference herein may not be comparable to similar information disclosed by companies in the United States ( **US companies** ).

In addition, this prospectus uses the terms **measured mineral resources** , **indicated mineral resources** and **inferred mineral resources** to comply with the reporting standards in Canada. We advise United States investors that while those terms are recognized and required by Canadian regulations, the SEC does not recognize them. United States investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into mineral reserves. These terms have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility.

Further, **inferred resources** have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, United States investors are also cautioned not to assume that all or any part of the inferred resources exist. In accordance with Canadian rules, 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.

It cannot be assumed that all or any part of **measured mineral resources** , **indicated mineral resources** , or **inferred mineral resources** will ever be upgraded to a higher category. Investors are cautioned not to assume that any part of the reported **measured mineral resources** , **indicated mineral resources** , or **inferred mineral resources** in this prospectus is economically or legally mineable.

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 prospectus and the documents incorporated by reference herein containing descriptions of our mineral deposits may not be comparable to similar information made public by US companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

## GLOSSARY OF TECHNICAL TERMS

<b>CuEQ</b>	Copper Equivalent
<b>Cut-off Grade</b>	The grade below which Mineralized material will be considered waste rather than ore.
<b>Indicated Mineral Resource</b>	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, which are considerations used to convert Mineral Resources to NI 43-101 mineral reserves and include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental 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. It has a lower level of confidence than that applying to a class of mineral reserves referred to as probable mineral reserves under NI 43-101.
<b>Inferred Mineral Resource</b>	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. It has a lower level of confidence than that applying to an Indicated Mineral Resource and must 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.
<b>Measured Mineral Resource</b>	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, which are considerations used to convert Mineral Resources to NI 43-101 mineral reserves and include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental 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. It 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 either proven mineral reserves or probable mineral reserves under NI 43-101.
<b>Mineral Resource</b>	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.
<b>Mineralized</b>	Mineral bearing; the metallic minerals may have been either a part of the original rock unit or injected at a later time.
<b>Mineral Symbols</b>	Au - Gold; Ag - Silver; Cu - Copper; Mo - Molybdenum
<b>NI 43-101</b>	

National Instrument 43-101, the national securities law instrument in Canada respecting standards of disclosure for mineral projects.

**Porphyry deposit** A type of mineral deposit in which ore minerals are widely disseminated, generally of low grade but large tonnage.

**Qualified Person** as defined in NI 43-101 is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these; has experience relevant to the subject matter of the mineral project and the technical report; and is in good standing with a professional association and, in the case of foreign association, is of recognized stature with that organization.

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## NORTHERN DYNASTY MINERALS LTD.

*This summary highlights information contained elsewhere or incorporated by reference in this document. You should read this entire document carefully, including the section entitled Risk Factors and our financial statements and the related notes included elsewhere in this document or incorporated by reference herein.*

### Overview

Northern Dynasty is a mineral exploration company existing under the *British Columbia Corporations Act* focused on developing the Pebble copper-gold-molybdenum mineral project located in the state of Alaska, U.S. (the **Pebble Project**). The Pebble Project is located in southwest Alaska, 19 miles (30 kilometers) from the village of Iliamna, and approximately 200 miles (320 kilometers) southwest of the city of Anchorage.

Our Alaska mineral resource exploration business is operated through an Alaskan registered limited partnership, the Pebble Limited Partnership (the **Pebble Partnership** or **PLP**), in which we own a 100% interest through an Alaskan general partnership, the Northern Dynasty Partnership. Pebble Mines Corp., a 100% indirectly owned subsidiary of the Company, is the general partner of the Pebble Partnership and responsible for its day-to-day operations.

We currently have negative operating cash flow because we currently have no revenues. In addition, as a result of our business plans for development of the Pebble Project, we expect cash flow from operations to be negative until revenues from production at the Pebble Project begin to offset our operating expenditures. In addition, our cash flow from operations will be affected in the future by expenses that we incur in connection with the Pebble Project. We will require substantial additional capital in order to fund our planned exploration and development activities. See Risk Factors .

### RECENT DEVELOPMENTS

#### Bristol Bay Watershed and the EPA

In February 2011, the United States Environmental Protection Agency (the **EPA**) announced it would undertake a Bristol Bay Watershed Assessment study focusing on the potential effects of large-scale mine development in Bristol Bay and, specifically the Nushagak and Kvichak area drainages. This process was ostensibly initiated in response to calls from persons and groups opposing the Pebble Project for the EPA to pre-emptively use its asserted authority under Section 404(c) of the U.S. *Clean Water Act* (the **Clean Water Act**) to prohibit discharges of dredged or fill material in waters of the US within these drainages; however, evidence exists that the EPA may have been considering a Section 404(c) veto of the Pebble Project at least as far back as 2008 – two years before it received a petition from several Alaska Native tribes.

The EPA's first draft Bristol Bay Watershed Assessment ( **BBWA** ) report was released on May 18, 2012. In the Company's opinion after review with its consultants, the draft report is a fundamentally flawed document. By the EPA's own admission, it evaluated the effects of a hypothetical project that has neither been defined nor proposed by the Pebble Partnership, and for which key environmental mitigation strategies have not yet been developed and, hence would not yet be known. It is believed by the Company that the assessment was rushed because it was based on studies conducted over only one year in an area of 20,000 square miles. In comparison, the Pebble Project has studied the ecological and social environment surrounding Pebble for nearly a decade. The EPA also failed to adequately consider the comprehensive and detailed data that the Pebble Partnership provided as part of its 27,000-page Environmental Baseline Document.

The EPA called for public comment on the quality and sufficiency of scientific information presented in the draft BBWA report. In response, the Pebble Partnership and Northern Dynasty made submissions on the draft report.



Northern Dynasty made a presentation highlighting these shortcomings at public hearings held in Seattle, Washington, on May 31, 2012 and in Anchorage, Alaska, on August 7, 2012. In July 2012, the Company also submitted a 635-page critique of the draft report in response to the EPA's call for public comment, and has called upon the EPA to cease such unwarranted actions until such time as a definitive proposal for the development of the Pebble deposit is submitted into the rigorous *National Environmental Policy* ( **NEPA** ) permitting process.

Concerns about the reasonableness of the basis of risk assessment in the draft EPA report were stated by many of the independent experts on the peer review panel assembled to review the BBWA, as summarized, in a report entitled External Peer Review of EPA's Draft Document: An Assessment of Potential Mining Impacts on Salmon Ecosystems of Bristol Bay, Alaska released in November 2012. In a wide-ranging critique of the draft report's methodology and findings, many peer review panellists called the EPA's effort to evaluate the effects of a hypothetical mining scenario on the water, fish, wildlife and cultural resources of Southwest Alaska inadequate , premature , unreasonable , suspect and misleading .

On April 26, 2013, the EPA released a revised draft of the BBWA report and announced another public comment and Peer Review period. The Pebble Partnership and Northern Dynasty made submissions on the revised draft. In late May 2013, Northern Dynasty filed a 205-page submission which describes the same major shortcomings as the original report published in May 2012.

In mid-January 2014, the EPA released the final version of its BBWA. The report still reflects many of the same fundamental shortcomings as previous drafts.

On February 28, 2014, the EPA announced the initiation of a regulatory process under Section 404(c) of the Clean Water Act to consider restriction or a prohibition on mining activities associated with the Pebble deposit in order to protect aquatic resources in southwest Alaska. In late April 2014, the Pebble Partnership submitted a comprehensive response to the EPA's February 28, 2014 notification letter.

In late May 2014, the Pebble Partnership filed suit in the U.S. District Court for Alaska and sought an injunction to halt the regulatory process initiated by the EPA under the Clean Water Act, asserting that, in the absence of a permit application, the process exceeds the federal agency's statutory authority and violates the Alaska Statehood Act among other federal laws. The State of Alaska and Alaska Peninsula Corporation, an Alaska Native village corporation with extensive land holdings in the Pebble Project area, later joined in the Pebble Partnership's lawsuit against the EPA as co-plaintiffs. On September 26, 2014, U.S. Federal Court in Alaska granted the EPA's motion to dismiss the case. This ruling did not judge the merits of the statutory authority case, it only deferred that hearing and judgment until after a final Section 404(c) determination has been made by the EPA. If or when the EPA action is deemed final , the Pebble Partnership will pursue the underlying case. The Pebble Partnership has also appealed the decision to grant the motion to dismiss to the 9th Circuit Court of Appeals. The 9th Circuit Court of Appeals has agreed to an expedited hearing of the Pebble Partnership's appeal.

On July 18, 2014, EPA Region 10 announced a Proposed Determination to restrict the discharge of dredged or fill material associated with mining the Pebble deposit in a 268 square mile area should that disposal result in any of the following: loss of five or more miles of streams with documented salmon occurrence; loss of 19 or more miles of streams where salmon are not documented but that are tributaries of streams with documented salmon occurrence; the loss of 1,100 or more acres of wetlands, lakes, and ponds that connect with streams with documented salmon occurrence or tributaries of those streams; and stream flow alterations greater than 20 percent of daily flow in nine or more linear miles of streams with documented salmon occurrence. The Company's management does not accept that the EPA has the statutory authority to impose conditions on development at Pebble, or any development project anywhere in Alaska or the US, prior to the submission of a detailed development plan and its thorough review by federal and state agencies including development of an Environmental Impact Statement ( EIS ) and review under NEPA.

On August 19, 2014, the Pebble Partnership submitted a comprehensive legal and technical response to EPA Region 10's Proposed Determination. Northern Dynasty and the Pebble Partnership believe the Proposed Determination is unsupported by the administrative record as established by the Bristol Bay Watershed Assessment, and is therefore arbitrary and capricious.

On September 3, 2014, the Pebble Partnership initiated a second action against the EPA in federal district court in Alaska charging that EPA violated the *Federal Advisory Committee Act* ( **FACA** ) due to its close interactions with, and the undue influence of Environmental Non-Governmental Organizations and anti-mining activists in developing the Bristol Bay Watershed Assessment, and with respect to its unprecedented pre-emptive 404c regulatory process under the Clean Water Act. On September 24, 2014, the U.S. Federal Court judge in Alaska released an order recognizing that the EPA agreed not to take the next step to advance its 404c regulatory process with respect to southwest Alaska's Pebble Project until at least January 2, 2015.

On November 24, 2014, the U.S. Federal Court judge in Alaska granted the Pebble Partnership's request for a preliminary injunction in relation to the FACA case. While the preliminary injunction does not resolve the Pebble Partnership's claims that the EPA actions with respect to the Bristol Bay Watershed Assessment and subsequent 404 regulatory process violated FACA, the decision permits the further discovery process of the underlying facts to enable the court to issue a final decision on the merits of the FACA case. Northern Dynasty expects it will take several months for the case to run its course.

The Pebble Partnership will now have an opportunity for extensive depositions and discovery to determine if there was any EPA misconduct. That the preliminary injunction was granted also reflects the US federal court judge's view that the claimant has a likelihood of success on the merits. Should Pebble Partnership prevail in its FACA litigation against EPA, the federal agency may be unable to rely upon the Bristol Bay Watershed Assessment as part of the administrative record for any regulatory action at the Pebble Project.

Northern Dynasty has submitted seven letters to the independent Office of the EPA Inspector General (IG) since January 2014 raising concerns of bias, process irregularities and undue influence by environmental organizations in the EPA's preparation of the Bristol Bay Watershed Assessment. In response to Congressional and other requests, on May 5, 2014, the IG's office announced that it would investigate the EPA's conduct in preparing "An Assessment of Potential Mining Impacts on Salmon Ecosystems of Bristol Bay, Alaska". A team of IG investigators is now in place and a full investigation is underway to determine whether the EPA adhered to laws, regulations, policies and procedures in developing its assessment of potential mining impacts in Bristol Bay, Alaska.

The Pebble Partnership is advancing a multi-dimensional strategy to address the EPA's pre-emptive regulatory process under Section 404(c) of the Clean Water Act, and is working to position the Pebble Project to initiate federal and state permitting under NEPA unencumbered by any extraordinary development restrictions imposed by the federal agency. This strategy includes three discrete pieces of litigation against the EPA as set out in this Prospectus, including:

**&#149** challenging the EPA's statutory authority to pre-emptively impose development restrictions at the Pebble Project under Section 404(c) of the Clean Water Act prior to the Pebble Partnership submitting a proposed development plan for the project or the development of an EIS under NEPA;

**&#149** alleging that the EPA violated FACA in the course of undertaking the Bristol Bay Watershed Assessment and subsequent Section 404(c) of the Clean Water Act regulatory process; and

**&#149** alleging that the EPA is unlawfully withholding relevant documentation and other information sought by the Pebble Partnership under the *Freedom of Information Act* (FOIA).

The Pebble Partnership's strategy to address the EPA's Section 404(c) of the Clean Water Act regulatory process also includes undertaking research, including technical and legal investigations, to facilitate various investigations of EPA actions with respect to the Pebble Project, including one by the EPA Inspector General.

While the litigation process is inherently uncertain, and it is difficult to predict with confidence the length of time that each of the legal initiatives described above will take to advance to specific milestone events or final conclusion, Northern Dynasty expects the following to occur in 2015:

**&#149** the 9<sup>th</sup> Circuit Court of Appeals is expected to fully hear and issue a decision in 2015 on the Pebble Partnership's appeal of a lower court's decision that its statutory authority case is not ripe and cannot be heard until such time as the EPA has taken final regulatory action under Section 404(c) of the Clean Water Act. If the Pebble Partnership prevails, the case will be returned to federal court in Alaska for a final determination on its merits; if the EPA prevails, the statutory authority case will be heard at a later date should the federal agency proceed to issue a final regulatory decision under Section 404(c) of the Clean Water Act;



**&#149** a final decision by a federal court judge in Alaska on the Pebble Partnership's FACA case is expected in the latter half of the year;

**&#149** a decision in the Pebble Partnership's FOIA litigation against EPA is expected in the latter half of the year; and

**&#149** the independent Office of the EPA Inspector General is expected to complete its investigation and publish a final report on EPA actions with respect to the Bristol Bay Watershed Assessment and the EPA's subsequent Section 404(c) of the Clean Water Act regulatory process in the second or third quarter of 2015.

The Company cannot predict the outcome of its various challenges to what it sees as improper pre-emptory attempts by the EPA to prevent or otherwise restrict mineral development at Pebble. If these challenges all fail and EPA continues to oppose the Pebble Project by all legal means, it may have a material adverse effect on the Company.

### **Closing of Special Warrant Offering**

On December 31, 2014 and January 13, 2015, we completed the offer and sale of an aggregate of 35,962,735 Special Warrants at a price of C\$0.431 per Special Warrant for gross proceeds of approximately C\$15.5 million. The Special Warrant offering and the terms of the Special Warrants are discussed further below under "Special Warrant Offering", "Offer Statistics and Expected Timetable".

### **Updated NI 43-101 Technical Report on the Pebble Project**

On February 6, 2015 we released a technical report "2014 Technical Report on the Pebble Project, Southwest Alaska, USA" by J. David Gaunt, P.Geo., James Lang, P.Geo, Eric Titley, P.Geo. and Ting Lu, P.Eng., effective date December 31, 2014 (the "**Pebble Project Report**").

Technical information relating to the Pebble Project contained in this prospectus is derived from, and in some instances is an extract from, the Pebble Project Report. Reference should be made to the full text of the Pebble Project Report which report has been filed with Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review under the Company's profile on the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators ("**SEDAR**") at [www.sedar.com](http://www.sedar.com). Alternatively, a copy of the report may be inspected until the day that is thirty days after the date hereof during normal business hours at the Company's head office. The following disclosure is summarized from the Pebble Project Report and is qualified by the discussion above under "Cautionary Notes to United States Investors Concerning Mineral Reserve and Resource Estimates".

The Pebble Project Report contains an updated mineral resource estimate for the Pebble Project prepared by J. David Gaunt, PGeo., a qualified person, as defined under NI 43-101, who is not independent of Northern Dynasty. It is based on approximately 59,000 assays obtained from 699 drill holes. The deposit extends for a strike length of approximately 13,000 ft, a width of 7,700 ft and to a depth of at least 5,810 ft.

The resource was estimated using a geostatistical estimation method known as ordinary kriging. Descriptive statistics, 3D surfaces and wireframe computer software models of domains for each of the four metals, as well as specific gravity were interpreted and used in the development of search strategies and geostatistical parameters for block interpolation and resource classification. The tabulation is based on copper equivalency ("**CuEq**") that incorporates the contribution of copper, gold and molybdenum. Although the estimate includes silver, it was not used as part of the copper equivalency calculation in order to facilitate comparison with previous estimates which did not consider the silver content or its potential economic contribution. A base case cut-off of 0.3% CuEq is highlighted.



### Cautionary Note to Investors Concerning Estimates of Measured and Indicated Resources

This section uses the terms, Measured Mineral Resources and Indicated Mineral Resources. The Company advises investors that while those terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission (the SEC) does not recognize them. **Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into reserves.**

Threshold			Cu	Au	Mo	Ag	Cu	Au	Mo	Ag
CuEq %	CuEq%	Tonnes	(%)	(g/t)	(ppm)	(g/t)	Blbs	Moz	Blbs	Moz
<b>Measured Mineral Resources</b>										
<b>0.3</b>	<b>0.65</b>	<b>527,000,000</b>	<b>0.33</b>	<b>0.35</b>	<b>178</b>	<b>1.66</b>	<b>3.83</b>	<b>5.93</b>	<b>0.21</b>	<b>28.13</b>
0.4	0.66	508,000,000	0.34	0.36	180	1.68	3.80	5.88	0.20	27.42
0.6	0.77	279,000,000	0.40	0.42	203	1.84	2.46	3.77	0.12	16.51
1.0	1.16	28,000,000	0.62	0.62	302	2.27	0.38	0.56	0.02	2.04
<b>Indicated Mineral Resources</b>										
<b>0.3</b>	<b>0.77</b>	<b>5,912,000,000</b>	<b>0.41</b>	<b>0.34</b>	<b>245</b>	<b>1.66</b>	<b>53.42</b>	<b>64.62</b>	<b>3.20</b>	<b>315.50</b>
0.4	0.82	5,173,000,000	0.45	0.35	260	1.75	51.31	58.21	2.97	291.05
0.6	0.99	3,450,000,000	0.55	0.41	299	1.99	41.82	45.47	2.27	220.71
1.0	1.29	1,411,000,000	0.77	0.51	343	2.42	23.95	23.14	1.07	109.79
<b>Measured + Indicated Mineral Resources</b>										
<b>0.3</b>	<b>0.76</b>	<b>6,439,000,000</b>	<b>0.40</b>	<b>0.34</b>	<b>240</b>	<b>1.66</b>	<b>56.76</b>	<b>70.38</b>	<b>3.40</b>	<b>343.63</b>
0.4	0.81	5,681,000,000	0.44	0.35	253	1.75	55.09	63.92	3.17	319.62
0.6	0.97	3,729,000,000	0.54	0.41	291	1.98	44.38	49.15	2.39	237.37
1.0	1.29	1,439,000,000	0.76	0.51	342	2.42	24.11	23.60	1.08	111.97

### Cautionary Note to Investors Concerning Estimates of Inferred Resources

This section also uses the term Inferred Mineral Resources. The Company advises investors that while this term is recognized and required by Canadian regulations, the SEC does not recognize it. Inferred Mineral Resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of a mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of economic studies, except in rare cases. **Investors are cautioned not to assume that all or any part of an inferred resource exists, or is economically or legally mineable.**

Threshold			Cu	Au	Mo	Ag	Cu	Au	Mo	Ag
CuEq %	CuEq%	Tonnes	(%)	(g/t)	(ppm)	(g/t)	Blbs	Moz	Blbs	Moz
<b>Inferred Mineral Resources</b>										
<b>0.3</b>	<b>0.54</b>	<b>4,460,000,000</b>	<b>0.25</b>	<b>0.26</b>	<b>222</b>	<b>1.19</b>	<b>24.55</b>	<b>37.25</b>	<b>2.18</b>	<b>170.49</b>
0.4	0.68	2,630,000,000	0.33	0.30	266	1.39	19.14	25.38	1.55	117.58
0.6	0.89	1,290,000,000	0.48	0.37	291	1.79	13.66	15.35	0.83	74.28
1.0	1.20	360,000,000	0.69	0.45	377	2.27	5.41	5.14	0.30	25.94

The tabulated Mineral Resources are subject to the notes below:

- (1) These resource estimates have been prepared in accordance with NI 43-101 and the CIM Definition Standards. Inferred Mineral Resources are considered to be too speculative to allow the application of technical and economic parameters to support mine planning and evaluation of the economic viability of the project. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or pre-feasibility studies, or economic studies except for preliminary economic assessments as



defined under 43-101. It cannot be assumed that all or any part of the Inferred Mineral Resources will ever be upgraded to a higher category.

- (2) Copper equivalent calculations use metal prices of \$1.85/lb for copper, \$902/oz for gold and \$12.50/lb for molybdenum, and recoveries of 85% for copper 69.6% for gold, and 77.8% for molybdenum in the Pebble West deposit and 89.3% for copper, 76.8% for gold, 83.7% for molybdenum in the Pebble East deposit.
- (3) Contained metal calculations are based on 100% recoveries.
- (4) A 0.30% CuEQ cut-off is considered to be appropriate for porphyry deposit open pit mining operations in the Americas.
- (5) All Mineral Resource estimates, cut-offs and metallurgical recoveries are subject to change as a consequence of more detailed economic analyses that would be required in pre-feasibility and feasibility studies.

The Mineral Resource estimate is constrained by a conceptual pit that was developed using parameters set out in the table below:

	Parameter	Units	Cost (\$)	Value
Metal Price	Gold	\$/oz	-	1540.00
	Copper	\$/lb	-	3.63
	Molybdenum	\$/lb	-	12.36
Metal Recovery	Copper	%	-	89
	Gold	%	-	72
	Molybdenum	%	-	82
Operating Mining (mineralized material or waste) Cost		\$/ton mined	1.01	-
	Added haul lift from depth	\$/ton/bench	0.03	-
	<b>Process</b>			
	-Process cost adjusted by total crushing energy	\$/ton milled	4.40	-
	-Transportation	\$/ton milled	0.46	-
	-Environmental	\$/ton milled	0.70	-
	-G&A	\$/ton milled	1.18	-
Block Model	Current block model	ft	-	75 x 75 x 50
Density	Mineralized material and waste rock	-	-	Block model
Pit Slope Angles	-	degrees	-	42
Thes				