

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Northern Dynasty Minerals Ltd. (the “**Company**”)
15th Floor - 1040 West Georgia Street
Vancouver, British Columbia
V6E 4H1

Item 2 Date of Material Change

November 25, 2020.

Item 3 News Release

The news release with respect to the material changes referred to in this report was issued by the Company and distributed through the facilities of CNW on November 25, 2020. The news release was filed on SEDAR and is available at www.sedar.com.

Item 4 Summary of Material Change

The Company announced on November 25, 2020 that its 100%-owned, US-based subsidiary Pebble Limited Partnership (the “**Pebble Partnership**”) had received formal notification from the US Army Corps of Engineers (“**USACE**”) that its application for permits under the Clean Water Act and other federal statutes has been denied. The USACE, the lead federal regulator, found Pebble’s ‘compensatory mitigation plan’ as submitted earlier in November 2020 to be ‘non-compliant’, and that the project is ‘not in the public interest’.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company announced on November 25, 2020 that its 100%-owned, US-based subsidiary, the Pebble Partnership, received formal notification from the USACE that it had issued a negative Record of Decision (“**ROD**”) for the proposed Pebble copper-gold-molybdenum-silver-rhenium mine in southwest Alaska (the “**Pebble Project**”) and that the Pebble Partnership’s application for permits under the Clean Water Act and other federal statutes had been denied.

The ROD issued by the lead federal regulator for Alaska’s Pebble Project on November 25, 2020 denied the project a ‘dredge and fill’ permit under the Clean Water Act on the grounds that its ‘compensatory mitigation plan’ (“**CMP**”) is non-compliant and the project is not in the ‘public interest.’ The Pebble Partnership has 60 days to submit its application for administrative appeal to the USACE.

The Pebble Partnership intends to challenge the USACE’s permitting decision on procedural, substantive and legal grounds and is preparing a “request for appeal” (“**RFA**”) to the USACE in order to initiate an appeal process in respect of the Record of Decision. Following receipt of an RFA, the USACE will have 30 days to notify the Pebble Partnership as to whether the appeal is complete. If complete, a review officer will be appointed and an appeal conference held between the parties within 60 days of receipt of the

Pebble Partnership's RFA. There is no assurance that the Company's appeal of the Record of Decision will be successful or that the required permits for the Pebble Project will be issued. The permits are required in order that the Pebble Project can be developed, as proposed by the Company.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Ronald W. Thiessen
President & CEO
Tel: 604-684-6365

Item 9 Date of Report

December 7, 2020