

PAUG - VIK INC. LTD
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September 27, 2005

Bruce W. Jenkins
Chief Executive Officer
Northern Dynasty Mines, Inc.
3201 C Street, Suite 604
Anchorage, Alaska 99503

Dear Mr. Jenkins:

Paug-Vik would like to take this opportunity to thank Northern Dynasty Mines for its community outreach. The community is respectful of efforts to keep Naknek and King Salmon residents informed of environmental issues, employment and training prospects and economic opportunities. The corporation appreciates that Northern Dynasty sent two Paug-Vik board members and other area village representatives to Anchorage to attend a three day conference so that Southwest villagers could share their ideas and concerns about the Pebble Project. Efforts to address local issues are appreciated.

The corporation would like to be kept informed of progress on the construction of the proposed port, road and power generating facilities. Information related to environmental permitting, socio-economic planning, cultural studies and engineering requirements is also of interest.

The corporation would like to invite you and senior project managers to visit Naknek and meet with the board of directors and the management of Paug-Vik Development Corporation (PDC). PDC is a full service general contractor subsidiary offering a comprehensive range of construction, civil, and environmental services. PDC has a diverse group of clients throughout Alaska.

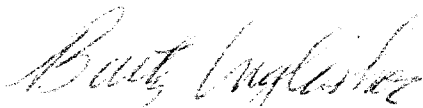
King Salmon and Naknek has a lot to offer any company which needs a base of operations in Southwest Alaska. The community has the largest airport and dock in the region. The Southwest Alaska Vocational Education Center (SAVEC) would be an excellent facility to provide mining technology training. With state, Denali Commission and Northern Dynasty assistance the center could establish training courses in many of the 52 careers detailed in your company's April 2005 *Mining Careers* brochure. Local training would help Northern Dynasty comply with its local hire policy.

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If your company were to establish an operations center in Naknek the Bristol Bay Borough school system would provide first rate education for Northern Dynasty families that may want to be based here. I believe that Paug-Vik, Bristol Bay Borough, the community and SAVEC have a lot to offer your company.

The Paug-Vik board of directors looks forward to meeting with you and discussing professional alliances and other beneficial opportunities. The corporation would like to give you a tour of the community infrastructure and discuss the wide range of services PDC has to offer.

Sincerely,



Bartz Englishhoe, Interim
General Manager

Letter to Northern Dynasty 9-27-05

cc: Trefon Angasan, NDM