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

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
[1]

For the Fiscal Year Ended November 30, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period from to

Commission File Number: 1-35447

TRILOGY METALS INC.

(Exact Name of Registrant as Specified in Its Charter)

British Columbia	**98-1006991**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
Suite 1150, 609 Granville Street Vancouver, British Columbia Canada	**V7Y 1G5**
(Address of Principal Executive Offices)	(Zip Code)

(604) 638-8088
(Registrant's Telephone Number, Including Area Code)

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Shares, no par value	TMQ	NYSE AMERICAN

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☐ Accelerated Filer ☐ Non-accelerated Filer ☒ Smaller reporting company ☒ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As at May 31, 2021, the aggregate market value of the registrant's Common Shares held by non-affiliates was approximately $173 million. As of February 11, 2022, the registrant had 145,464,286 Common Shares, no par value, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than March 30, 2022, in connection with the registrant's 2022 annual meeting of shareholders, are incorporated herein by reference into Part III of this Annual Report on Form 10-K.

TRILOGY METALS INC.

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Unless the context otherwise requires, the words "we," "us," "our," the "Company" and "Trilogy" refer to Trilogy Metals Inc., formerly NovaCopper Inc. ("Trilogy" or "Trilogy Metals"), a British Columbia corporation, either alone or together with its subsidiaries as the context requires, as of November 30, 2021.

CURRENCY

All dollar amounts are in United States currency unless otherwise stated. References to C$ or CDN$ refer to Canadian currency, and $ or US$ to United States currency.

FORWARD-LOOKING STATEMENTS

The information discussed in this Annual Report on Form 10-K includes "forward-looking information" and "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"), and applicable Canadian securities laws. These forward-looking statements may include statements regarding perceived merit of properties, exploration results and budgets, mineral reserves and resource estimates, work programs, capital expenditures, operating costs, cash flow estimates, production estimates and similar statements relating to the economic viability of a project, timelines, strategic plans, statements relating anticipated activity with respect to the Ambler Mining District Industrial Access Project ("AMDIAP"), the Company's plans and expectations relating to the Upper Kobuk Mineral Projects (as defined herein), completion of transactions, market prices for precious and base metals, the results of the Arctic FS (as defined herein) or other statements that are not statements of fact. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Statements concerning mineral resource estimates may also be deemed to constitute "forward-looking statements" to the extent that they involve estimates of the mineralization that will be encountered if the property is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation:

- risks related to the COVID-19 pandemic;
- risks related to inability to define proven and probable reserves;
- risks related to our ability to finance the development of our mineral properties through external financing, strategic alliances, the sale of property interests or otherwise;
- uncertainty as to whether there will ever be production at the Company's mineral exploration and development properties;
- risks related to our ability to commence production and generate material revenues or obtain adequate financing for our planned exploration and development activities;
- risks related to lack of infrastructure including but not limited to the risk whether or not the AMDIAP will receive the requisite permits and, if it does, whether the Alaska Industrial Development and Export Authority ("AIDEA") will build the AMDIAP;

- risks related to inclement weather which may delay or hinder exploration activities at our mineral properties;
- risks related to our dependence on a third party for the development of our projects;
- none of the Company's mineral properties are in production or are under development;
- commodity price fluctuations;
- uncertainty related to title to our mineral properties;
- our history of losses and expectation of future losses;
- risks related to increases in demand for equipment, skilled labor and services needed for exploration and development of mineral properties and related cost increases;
- uncertainties relating to the assumptions underlying our resource estimates, such as metal pricing, metallurgy, mineability, marketability and operating and capital costs;
- uncertainty related to inferred, indicated and measured mineral resources;
- mining and development risks, including risks related to infrastructure, accidents, equipment breakdowns, labor disputes or other unanticipated difficulties with or interruptions in development, construction or production;
- uncertainty related to successfully acquiring commercially mineable mineral rights;
- risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of our mineral deposits;
- risks related to governmental regulation and permits, including environmental regulation, including the risk that more stringent requirements or standards may be adopted or applied due to circumstances unrelated to the Company and outside of our control;
- the risk that permits and governmental approvals necessary to develop and operate mines at our mineral properties will not be available on a timely basis or at all;
- risks related to the need for reclamation activities on our properties and uncertainty of cost estimates related thereto;
- risks related to the acquisition and integration of operations or projects;
- risks related to industry competition in the acquisition of exploration properties and the recruitment and retention of qualified personnel;
- our need to attract and retain qualified management and technical personnel;
- risks related to conflicts of interests of some of our directors and officers;
- risks related to potential future litigation;
- risks related to market events and general economic conditions;
- risks related to future sales or issuances of equity securities decreasing the value of existing Trilogy common shares ("Common Shares"), diluting voting power and reducing future earnings per share;

- risks related to the voting power of our major shareholders and the impact that a sale by such shareholders may have on our share price;
- uncertainty as to the volatility in the price of the Company's Common Shares;
- the Company's expectation of not paying cash dividends;
- adverse federal income tax consequences for U.S. shareholders should the Company be a passive foreign investment company;
- risks related to global climate change;
- risks related to adverse publicity from non-governmental organizations;
- uncertainty as to our ability to maintain the adequacy of internal control over financial reporting as per the requirements of Section 404 of the Sarbanes-Oxley Act ("SOX"); and
- increased regulatory compliance costs, associated with rules and regulations promulgated by the United States Securities and Exchange Commission ("SEC"), Canadian Securities Administrators, the NYSE American, the Toronto Stock Exchange ("TSX"), and the Financial Accounting Standards Boards, and more specifically, our efforts to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank").

This list is not exhaustive of the factors that may affect any of our forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and our actual achievements or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in this report under the heading "*Risk Factors*" and elsewhere.

Our forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made. In connection with the forward-looking statements contained herein, we have made certain assumptions about our business, including about:

- our ability to achieve production at our Arctic and Bornite Projects (as defined herein);
- the accuracy of our mineral resource estimates;
- the results, costs and timing of future exploration drilling and engineering;
- timing and receipt of approvals, consents and permits under applicable legislation;
- the adequacy of our financial resources;
- the receipt of third party contractual, regulatory and governmental approvals for the exploration, development, construction and production of our properties;
- our expected ability to develop adequate infrastructure and that the cost of doing so will be reasonable;
- continued good relationships with South32 (as defined below), local communities and other stakeholders;
- there being no significant disruptions affecting operations, whether relating to labor, supply, power, damage to equipment or other matters;
- expected trends and specific assumptions regarding metal prices and currency exchange rates; and

- prices for and availability of fuel, electricity, parts and equipment and other key supplies remaining consistent with current levels.

We have also assumed that no significant events will occur outside of our normal course of business. Although we have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. We believe that the assumptions inherent in the forward-looking statements are reasonable as of the date hereof. However, forward-looking statements are not guarantees of future performance and, accordingly, undue reliance should not be put on such statements due to the inherent uncertainty therein. We do not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. All forward-looking statements contained herein are qualified by these cautionary statements.

CAUTIONARY NOTE TO UNITED STATES INVESTORS

Unless otherwise indicated, all resource estimates, and any reserve estimates, included or incorporated by reference in this Annual Report on Form 10-K have been, and will be, prepared in accordance with Canadian National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves ("CIM Definition Standards"). NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. NI 43-101 permits the disclosure of an historical estimate made prior to the adoption of NI 43-101 that does not comply with NI 43-101 to be disclosed using the historical terminology if the disclosure: (a) identifies the source and date of the historical estimate; (b) comments on the relevance and reliability of the historical estimate; (c) to the extent known, provides the key assumptions, parameters and methods used to prepare the historical estimate; (d) states whether the historical estimate uses categories other than those prescribed by NI 43-101; and (e) includes any more recent estimates or data available.

Canadian standards, including NI 43-101, differ significantly from the requirements of the SEC, and reserve and resource information contained or incorporated by reference into this Annual Report on Form 10-K may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term “resource” does not equate to the term “reserves”. Under SEC Industry Guide 7, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. SEC Industry Guide 7 does not define and the SEC’s disclosure standards normally do not permit the inclusion of information concerning “measured mineral resources”, “indicated mineral resources” or “inferred mineral resources” or other descriptions of the amount of mineralization in mineral deposits that do not constitute “reserves” by U.S. standards in documents filed with the SEC. U.S. investors should also understand that “inferred mineral resources” have a great amount of uncertainty as to their economic and legal feasibility. Under Canadian rules, subject to certain exceptions, estimated “inferred mineral resources” may not form the basis of feasibility or pre-feasibility studies. Investors are cautioned not to assume that all or any part of an “inferred mineral resource” exists or is economically or legally mineable. Disclosure of “contained ounces” in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in-place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of “reserves” are also not the same as those of the SEC, and any reserves reported by us in compliance with NI 43-101 may not qualify as “reserves” under SEC standards. We have no known reserves as defined in SEC Industry Guide 7. Accordingly, information concerning mineral deposits set forth herein may not be comparable to similar information made public by United States companies subject to reporting and disclosure requirements under United States federal securities laws and the rules and regulations thereunder.

The SEC adopted new mining property disclosure rules ("SK 1300") that will replace SEC Industry Guide 7. SK 1300 will apply to companies beginning with a company's first fiscal year beginning on or after January 1, 2021, which for us would be the fiscal year beginning December 1, 2021. While allowed to comply with SK 1300 early, we have not chosen to do so.

GLOSSARY

We estimate and report our resources and reserves according to the definitions set forth in NI 43-101. We will modify and reconcile the reserves as appropriate to conform to SEC Industry Guide 7 for reporting in the U.S. The definitions for each reporting standard are presented below with supplementary explanation and descriptions of the parallels and differences.

For a glossary of certain technical terms used throughout this Form 10-K, see Item 2 Properties, *Glossary of Technical Terms*.

CIM Definition Standards, adopted by CIM Council on May 10, 2014:

"**feasibility study"** means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable modifying factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that the extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a pre-feasibility study.

"**indicated mineral resource**" means 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 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. An indicated mineral resource has a lower level of confidence than that applying to a measured mineral resource and may only be converted to a probable mineral reserve.

"**inferred mineral resource**" means 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. An inferred mineral resource has a lower level of confidence than that applied 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.

"**measured mineral resource**" means 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 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. A measured mineral resource 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 a proven mineral reserve or to a probable mineral reserve.

"**mineral reserve**" means the economically mineable part of a measured and/or indicated mineral resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of modifying factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which mineral reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a mineral reserve must be demonstrated by a pre-feasibility or feasibility study.

"**mineral resource**" means 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 geologic characteristics of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

"**modifying factors**" means the considerations used to convert mineral resources to mineral reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

"**pre-feasibility study (preliminary feasibility study)**" means a comprehensive study or a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the modifying factors and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the mineral resource many be converted to a mineral reserve at the time of reporting. A pre-feasibility study is at a lower confidence level than a feasibility study.

"**probable mineral reserve**" means the economically mineable part of an indicated, and in some circumstances, a measured mineral resource. The confidence in the modifying factors applying to a probable mineral reserve is lower than that applying to a proven mineral reserve.

"**proven mineral reserve**" means the economically mineable part of a measured mineral resource. A proven mineral reserve implies a high degree of confidence in the modifying factors.

SEC Industry Guide 7 Definitions:

"**exploration stage**" deposit is one which is not in either the development or production stage.

"**development stage**" project is one which is undergoing preparation of an established commercially mineable deposit for its extraction but which is not yet in production. This stage occurs after completion of a feasibility study.

"**mineralized material**" refers to material that is not included in the reserve as it does not meet all of the criteria for adequate demonstration for economic or legal extraction.

"**probable reserve**" refers to reserves for which quantity and grade and/or quality are computed from information similar to that used for proven (measured) reserves, but the sites for inspection, sampling, and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven reserves, is high enough to assume continuity between points of observation.

"**production stage**" project is actively engaged in the process of extraction and beneficiation of mineral reserves to produce a marketable metal or mineral product.

"**proven reserve**" refers to reserves for which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established.

"**reserve**" refers to that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination. Reserves must be supported by a feasibility study done to bankable standards that demonstrates the economic extraction. ("Bankable standards" implies that the confidence attached to the costs and achievements developed in the study is sufficient for the project to be eligible for external debt financing.) A reserve includes adjustments to the in-situ tonnes and grade to include diluting materials and allowances for losses that might occur when the material is mined.

TECHNICAL INFORMATION

Richard Gosse, a Qualified Person under NI 43-101 and an employee and Vice President Exploration of the Company has reviewed and approved the scientific and technical information contained in this Annual Report on Form 10-K.

PART I

Item 1. BUSINESS

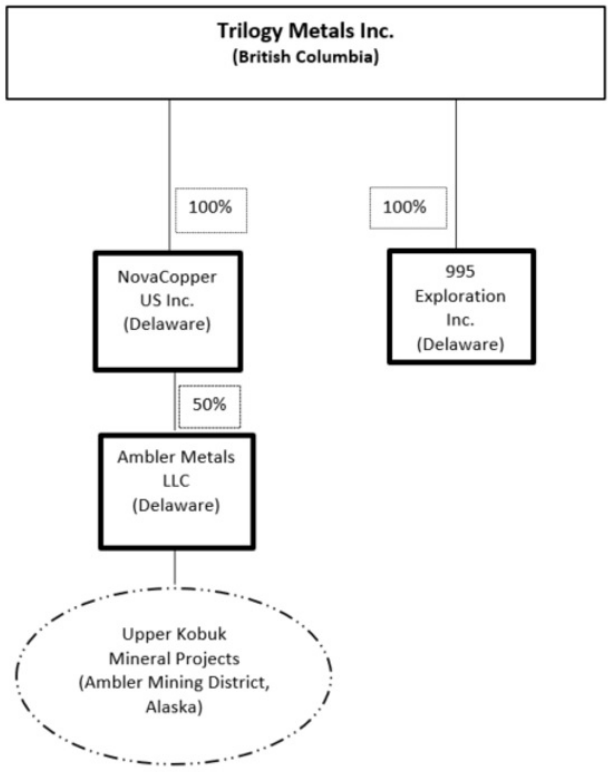
Our principal business is the exploration and development of the Upper Kobuk Mineral Projects ("Upper Kobuk Mineral Projects" or "UKMP" or "UKMP Projects") located in the Ambler mining district in Northwest Alaska, United States. The Upper Kobuk Mineral Projects are held by Ambler Metals LLC ("Ambler Metals"), a limited liability company owned equally by Trilogy and South32 Limited ("South32") (as defined below), and is comprised of the (i) Arctic Project, which contains a high-grade polymetallic volcanogenic massive sulfide ("VMS") deposit ("Arctic Project"); and (ii) Bornite Project, which contains a carbonate-hosted copper - cobalt deposit ("Bornite Project"). Our goals include expanding mineral resources and advancing the UKMP Projects through technical, engineering and feasibility studies so that production decisions can be made on those projects. Our interest in Ambler Metals is held by a wholly-owned subsidiary, NovaCopper US Inc. (dba Trilogy Metals US) ("Trilogy Metals US"), registered to do business in the State of Alaska. We also conduct early-stage exploration through a wholly owned subsidiary, 995 Exploration Inc.

Name, Address and Incorporation

Trilogy Metals Inc. was incorporated on April 27, 2011 under the name NovaCopper Inc. pursuant to the terms of the *Business Corporations Act* (British Columbia). NovaCopper Inc. changed its name to Trilogy Metals Inc. on September 1, 2016 to better reflect its diversified metals resource base. Our registered office is located at Suite 2600, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, Canada, and our executive office is located at Suite 1150, 609 Granville Street, Vancouver, British Columbia, Canada.

Corporate Organization Chart

The following chart depicts our corporate structure together with the jurisdiction of incorporation of our subsidiaries at November 30, 2021. All ownership is 100% unless otherwise stated.



On February 11, 2020, the Company's Upper Kobuk Mineral Projects were transferred to Ambler Metals, a newly incorporated limited liability company incorporated under the laws of Delaware. Each of Trilogy and South32 hold a 50% interest in Ambler Metals. All mineral resources and mineral reserve estimates with respect to the Arctic Project and Bornite Project that are disclosed in this Annual Report on Form 10-K are reported on a 100% basis. See "*Significant Developments in 2020*".

Business Cycle

Our business, at its current exploration phase, is cyclical. Exploration activities are conducted primarily during snow-free months in Alaska. The optimum field season at the Upper Kobuk Mineral Projects is from late May to late September. The length of the snow-free season at the Upper Kobuk Mineral Projects varies from about May through November at lower elevations and from July through September at higher elevations.

Trilogy's Strategy

Our business strategy is focused on creating value for stakeholders through our ownership and advancement of the Arctic Project and exploration and advancement of the Bornite Project with our joint venture partner, South32, and through the pursuit of similarly attractive mining projects. We plan to:

- advance the Arctic Project towards development with key activities including increased definition of the NI 43-101 mineral resources and reserves contained in the Arctic FS (as defined below), additional metallurgical and geotechnical studies and the advancement of baseline environmental studies;

- advance exploration in the Ambler mining district and, in particular, at the Bornite Project, pursuant to the NANA Agreement (as more particularly described under "*History of Trilogy – Agreement with NANA Regional Corporation*") through resource development and initial technical studies; and

- pursue project level or corporate transactions that are value accretive.

Significant Developments in 2021

- On January 6, 2021, the United States Bureau of Land Management ("BLM"), the National Park Service ("NPS") and the AIDEA signed Right-of-Way agreements giving AIDEA the ability to cross federally owned and managed lands along the route for the Ambler Road Project approved in the Joint Record of Decision. The agreements grant a 50-year right-of-way on federally owned and managed land by the federal agencies for the future development of the Ambler Mining District Industrial Access Road. The authorizing documents with the two agencies are the final federal permits required for the Ambler Road Project.

- In a press release dated February 11, 2021, the Company announced its approval for Ambler Metals to enter into an Ambler Access Development Agreement (the "Development Agreement") with AIDEA. The Development Agreement defines how AIDEA and Ambler Metals will work cooperatively together on the pre-development work for the Ambler Access Project to address funding and oversight of the project's feasibility and permitting activities until the parties reach a decision on the construction of the project. The cost of the pre-development work and activities will be paid 50% by AIDEA and 50% by Ambler Metals based on an annually agreed program and budget. Under the Development Agreement, Ambler Metals and AIDEA agree to contribute up to $35 million each for pre-development costs of the Ambler Access Project through December 31, 2024.

- In a press release dated April 19, 2021, the Company announced that the AIDEA had formally approved the proposed plan and budget for the 2021 summer field season activities and services of up to $13 million for the Ambler Access Project ("AAP"). The cost was to be shared 50/50 by AIDEA and Ambler Metals. The Board of AIDEA authorized up to $6.5 million for field season activities. These funds were to be matched by up to another $6.5 million from Ambler Metals under the terms of the Ambler Access Development Agreement that was approved by the AIDEA Board on February 10, 2021 and subsequently executed by both parties, resulting in a total budget for 2021 of up to $13 million. The AAP is a proposed 211-mile, east-west running controlled industrial access road that would provide industrial access to the Ambler Mining District in northwestern Alaska.

- In a press release dated May 17, 2021, the Company announced that Ambler Metals had finalized the details of the 2021 exploration field program at the UKMP for the previously approved $27 million exploration budget. The exploration program was aligned with a strategy developed by the Company and South32 which prioritizes the exploration budget within the UKMP. The strategy defines a program that advances the highest priority projects and exploration targets, both VMS and Carbonate-Hosted Copper ("CHC"), ranging from early-stage geophysical anomalies that were identified during the 2019 airborne Versatile Time Domain Electromagnetic ("VTEM") survey to advanced VMS and CHC prospects with historical resources. The site camp opened on June 1, 2021.

Significant Developments in 2020

- On April 10, 2017, we entered into an option agreement, as amended (the "South32 Option Agreement") with South32 Group Operations Pty Ltd ("South32 Operations"), a wholly-owned subsidiary of South32 Limited, which agreement was later assigned by South32 Operations to its affiliate, South32 USA Exploration Inc. (together with South32 Operations, "South32"). The South32 Option Agreement granted to South32 a three-year option to form a 50/50 joint venture with respect to Trilogy's Alaskan assets which includes the Upper Kobuk Mineral Projects. South32 was required to contribute a minimum of $10 million each year, for a maximum of three years, to keep the option in good standing (the "Initial Funding"). If South32 elected to exercise the

option, the subscription price less certain deductions for Initial Funding was to be paid in one tranche within 45 business days. Had South32 not made its annual minimum payment or elected to withdraw, the option would lapse and South32 would have no claim to ownership or to the funds it had already spent. In order to exercise its option to form the Joint Venture, South32 was required to contribute a minimum of $150 million, plus (i) any amounts Trilogy spent on matched parallel funding to a maximum of $16 million over the three year period and (ii) $10 million, less the amount of the Initial Funding contributed by South32. On December 19, 2019, we announced in a press release that South32 had exercised its option to acquire a 50% interest in a joint venture company to be named "Ambler Metals LLC" which now owns the UKMP Projects.

- On February 11, 2020, we announced that the formation of Ambler Metals had completed, with the Company contributing its assets associated with the UKMP Projects, and South32 contributing a subscription price payment of US$145 million, to the joint venture.

- In a press release dated February 26, 2020, the Company announced that Ambler Metals had approved a 2020 program budget of $22.8 million for the advancement of the UKMP Projects. The budget was to be 100% funded by Ambler Metals. The 2020 program budget included 10,000 meters of drilling at the Arctic Project, 2,500 meters of drilling within the Ambler VMS belt and geological mapping and geochemical soil sampling at the Bornite Project.

- Subsequent to the approval of the 2020 program budget, the Company and its joint venture partner, South32, decided not to proceed with the 2020 exploration program after assessing the coronavirus (COVID-19) environment. Ambler Metals gave due consideration to the merits of carrying out an abridged work program at the UKMP Projects. However, given the continued uncertainty resulting from COVID-19, ongoing safety concerns (despite added safety protocols including physical distancing, protective equipment and testing) and the fact that, due to COVID-19, the planned field season had already been delayed to the point at which any field season would provide limited critical path benefits, the decision was made not to proceed with a 2020 field season.

- On April 20, 2020, we issued a press release announcing the appointment of Tony Giardini as President and Chief Executive Officer effective June 1, 2020. Mr. Giardini has been a director of the Company since 2012 when the Company was formed and will continue to be an executive director. James (Jim) Gowans, the Interim President and Chief Executive Officer, remained in his role as a director of the Company.

- In a press release dated July 23, 2020, the Company, along with our joint venture partner, South32, announced the signing of the Record of Decision by BLM for the Ambler Mining District Industrial Access Project. The Record of Decision approves the development of the northern route, which is to be a 211-mile private gravel access road in the southern Brooks Range foothills to provide industrial access to the Ambler Mining District.

- In a press release dated August 20, 2020, the Company announced the positive results of its feasibility study for the Arctic Project (the "Arctic FS"). The Arctic FS was prepared on a 100% ownership basis, of which Trilogy's share is 50%. The Arctic FS describes the technical and economic viability of establishing a conventional open-pit copper-zinc-lead-silver-gold mine and mill complex for a 10,000 tonne per day operation for a minimum 12-year mine life. See the 2020 Arctic Report (as defined below) and "*Properties*" for additional information.

- On August 25, 2020, we issued a press release to announce that the board of Ambler Metals had appointed Ramzi Fawaz as President and Chief Executive Officer of Ambler Metals effective as of September 1, 2020. Mr Fawaz joined Ambler Metals from Newmont Corporation where he was Senior Vice President Projects from February 2011 to October 2019, with responsibility for the development and execution of Newmont's major gold and copper projects globally.

- On September 3, 2020, we issued a press release announcing that the Company had hired Richard Gosse as Vice President Exploration of the Company with immediate effect.

- On October 2, 2020, we filed the technical report for the Company's Arctic Project entitled "Arctic Feasibility Study Alaska, USA NI 43-101 Technical Report" with an effective date of August 20, 2020, prepared by Ausenco Engineering Canada Inc., Wood Canada Limited and SRK Consulting (Canada) Inc. (the "2020 Arctic Report"). The technical report describes the Arctic FS on the Arctic Project as discussed above. The 2020 Arctic Report supersedes the Company's 2018 Arctic Report (as defined below).

- On November 19, 2020, we issued a press release announcing that Ambler Metals had approved the 2021 program and budget of approximately $27 million for the advancement of the UKMP Projects. The budget will be 100% funded by Ambler Metals.

Significant Developments in 2019

- On March 5, 2019, we issued a press release to announce additional copper and cobalt metallurgical results for the Bornite Project. Nine metallurgical composite samples were prepared from materials obtained from drilling at the Bornite Project during 2017 and 2018. Each of these test samples were approximately 60 to 120 kilograms in mass and represented approximately 30 to 100 meters of drill core. Mineralogical analysis of each of the nine composites was completed, indicating that a majority of the copper mineralization occurred as chalcopyrite, with minor amounts of bornite and variable pyrite levels within the test samples.

- On June 28, 2019, we issued a press release to announce that all the Company's outstanding warrants had been exercised in advance of the expiry date. Three of the Company's largest shareholders exercised 6,521,740 in outstanding warrants. As a result of this warrant exercise, we issued a total of 6,521,740 common shares of the Company and received cash proceeds of approximately $9.9 million.

- On August 26, 2019, we issued a press release reporting the public release of the Draft Environmental Impact Statement ("EIS") Statement by the BLM for the AMDIAP and the Environmental and Economic Analysis by the NPS for that portion of AMDIAP that traverses the Gates of the Arctic National Park and Preserve. The public comment period of 45 days had commenced with comments on the Draft EIS being accepted through October 15, 2019. On March 27, 2020, we issued a press release announcing that the Final EIS had been publicly released.

- On September 5, 2019, we issued a press release announcing the resignation of Rick Van Nieuwenhuyse as CEO, President and director of Trilogy Metals. James Gowans was appointed CEO and President on an interim basis. Mr. Van Nieuwenhuyse remained a consultant to the Company until February 29, 2020 to assist with transitional matters and with advancing our interests in Alaska.

- On October 31, 2019, we filed a final short form base shelf prospectus with the securities commissions in each of the provinces of Canada, other than Québec, and a corresponding registration statement on Form S-3 with the SEC allowing for the future issuance, from time to time, of up to $100,000,000 in common shares, warrants to purchase common shares, share purchase contracts of the Company, subscription receipts, units or a combination of those securities. The intention of the base shelf prospectus and shelf registration statement is to allow the Company to more quickly access capital when the capital is needed and as market opportunities permit.

History of Trilogy

Spin-Out

We were formerly a wholly-owned subsidiary of NovaGold Resources Inc. ("NovaGold"). In April 2012, Trilogy Common Shares were distributed to NovaGold shareholders pursuant to a Plan of Arrangement under the *Companies Act* (Nova Scotia) and were listed and posted for trading on the TSX and on the NYSE American.

Name Change

We changed our corporate name to Trilogy Metals Inc. from NovaCopper Inc. in 2016 to better reflect the diversity of minerals at our UKMP Projects. On September 8, 2016, upon the opening of the markets our shares began trading on the TSX and the NYSE American under the symbol "TMQ".

Agreement with NANA Regional Corporation

On October 19, 2011, NANA Regional Corporation, Inc. ("NANA"), an Alaska Native Corporation headquartered in Kotzebue, Alaska, and Trilogy Metals US entered an Exploration Agreement and Option Agreement (as amended, the "NANA Agreement") for the cooperative development of NANA's respective resource interests in the Ambler mining district of Northwest Alaska. Upon the formation of Ambler Metals, the Company assigned its rights and obligations under the NANA Agreement to Ambler Metals. The NANA Agreement consolidates Ambler Metals' and NANA's land holdings into an approximately 142,831-hectare land package and provides a framework for the exploration and any future development of this high-grade and prospective poly-metallic belt.

The NANA Agreement grants Ambler Metals the nonexclusive right to enter on, and the exclusive right to explore, the Bornite lands and the Alaska Native Claims Settlement Act ("ANCSA") lands (each as defined in the NANA Agreement) and in connection therewith, to construct and utilize temporary access roads, camps, airstrips and other incidental works. In consideration for this right, Trilogy Metals US previously paid to NANA $4 million in cash. Ambler Metals is also required to make payments to NANA for scholarship purposes in accordance with the terms of the NANA Agreement. Ambler Metals has further agreed to use reasonable commercial efforts to train and employ NANA shareholders to perform work for Ambler Metals in connection with its operations on the Bornite lands, ANCSA lands and Ambler lands (as defined in the NANA Agreement) (collectively, the "Lands"). The NANA Agreement has a term of 20 years, with an option in favour of Ambler Metals to extend the term for an additional 10 years. The NANA Agreement may be terminated by mutual agreement of the parties or by NANA if Ambler Metals does not meet certain expenditure requirements on the Bornite lands and ANCSA lands.

If, following receipt of a feasibility study and the release for public comment of a related draft environmental impact statement, Ambler Metals decides to proceed with construction of a mine on the Lands, Ambler Metals will notify NANA in writing and NANA will have 120 days to elect to either (a) exercise a non-transferrable back-in-right to acquire an undivided ownership interest between 16% and 25% (as specified by NANA) of that specific project; or (b) not exercise its back-in-right, and instead receive a net proceeds royalty equal to 15% of the net proceeds realized by Ambler Metals from such project (following the recoupment by Ambler Metals of all costs incurred, including operating, capital and carrying costs). The cost to exercise such back-in-right is equal to the percentage interest in the project multiplied by the difference between (i) all costs incurred by Ambler Metals or its affiliates on the project, including historical costs incurred prior to the date of the NANA Agreement together with interest on the costs; and (ii) $40 million (subject to exceptions). This amount will be payable by NANA to Ambler Metals in cash at the time the parties enter into a joint venture agreement and in no event will the amount be less than zero.

In the event that NANA elects to exercise its back-in-right, the parties will as soon as reasonably practicable form a joint venture, with NANA's interest being between 16% to 25% and Ambler Metals owning the balance of the interest in the joint venture. Upon formation of the joint venture, the joint venture will assume all of the obligations of Ambler Metals and be entitled to all the benefits of Ambler Metals under the NANA Agreement in connection with the mine to be developed and the related Lands. A party's failure to pay its proportionate share of costs in connection with the joint venture will result in dilution of its interest. Each party will have a right of first refusal over any proposed transfer of the other party's interest in the joint venture other than to an affiliate or for the purposes of granting security. A transfer by either party of any net proceeds royalty interest in a project other than for financing purposes will also be subject to a first right of refusal. A transfer of NANA's net smelter return on the Lands is subject to a first right of refusal by Ambler Metals.

In connection with possible development of a mine on the Bornite lands or ANCSA lands, Ambler Metals and NANA will execute a mining lease to allow Ambler Metals or the joint venture to construct and operate a mine on the Bornite lands or ANCSA lands. These leases will provide NANA a 2% net smelter royalty as to production from the Bornite lands and a 2.5% net smelter royalty as to production from the ANCSA lands. If Ambler Metals decides to proceed with construction of a mine on the Ambler lands, NANA will enter into a surface use agreement with Ambler Metals which will afford Ambler Metals access to the Ambler lands along routes approved by NANA on the Bornite lands or ANCSA lands. In consideration for the grant of such surface use rights, Ambler Metals will grant NANA a 1% net smelter royalty on production and an annual payment of $755 per acre (as adjusted for inflation each year beginning with the second anniversary of the effective date of the NANA Agreement and for each of the first 400 acres (and $100 for each additional acre) of the lands owned by NANA and used for access which are disturbed and not reclaimed.

Ambler Metals has formed an oversight committee with NANA, which consists of four representatives from each of Ambler Metals and NANA (the "Oversight Committee"). The Oversight Committee is responsible for certain planning and oversight matters carried out by us under the NANA Agreement. The planning and oversight matters that are the subject of the NANA Agreement will be determined by majority vote. The representatives of each of Ambler Metals and NANA attending a meeting will have one vote in the aggregate and in the event of a tie, the Ambler Metals representatives jointly shall have a deciding vote on all matters other than Subsistence Matters, as that term is defined in the NANA Agreement. There shall be no deciding vote on Subsistence Matters and Ambler Metals may not proceed with such matters unless approved by majority vote of the Oversight Committee or with the consent of NANA, such consent not to be unreasonably withheld or delayed.

Principal Markets

We do not currently have a principal market. Our principal objective is to become a producer of copper.

Specialized Skill and Knowledge

All aspects of our business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, mining and accounting. See "*Executive Officers of Trilogy*" for details as to the specific skills and knowledge of our directors and management.

Environmental Protection

Mining is an extractive industry that impacts the environment. Along with our joint venture partner, South32, our goal is to evaluate ways to minimize that impact and to develop safe, responsible and profitable operations by developing natural resources for the benefit of our employees, shareholders and communities and maintain high standards for environmental performance at the UKMP Projects. We strive to meet or exceed environmental standards at the UKMP Projects. One way Ambler Metals does this is through collaborations with local communities in Alaska, including Native Alaskan groups. Ambler Metals' environmental performance will be overseen at the Ambler-board and Trilogy-board level and environmental performance is the responsibility of the project manager. All new activities and operations will be managed for compliance with applicable laws and regulations. In the absence of regulation, best management practices will be applied to manage environmental risk. Furthermore, we will strive to limit releases to the air, land or water and appropriately treat and dispose of waste.

For a more detailed discussion of the various government laws and regulations applicable to our operations and potential negative effects of these laws and regulations, see Item 1A. *Risk Factors*, and Item 2 Properties, *Environmental, Permitting, Social and Closure Considerations below*.

Employees

As of November 30, 2021, we had 7 full-time employees, all of whom were employed at our executive office in Vancouver, BC. We have entered into executive employment agreements with the CEO and CFO (each as defined herein).

In the past, the number of individuals we employed fluctuated throughout the year depending on the season; however, during 2020, we contributed the UKMP Projects to Ambler Metals and no longer directly employ any seasonal staff.

Information About Our Executive Officers

As of November 30, 2021, we had two executive officers, namely Tony Giardini and Elaine Sanders. The following information is presented as of November 30, 2021.

Name and Residence	Age	Held Office Since	Business Experience During Past Five Years
Tony Giardini British Columbia, Canada *Director, President and Chief Executive Officer*	62	June 1, 2020[(1)]	Chief Executive Officer of Trilogy (2020 – present); President of Ivanhoe Mines Ltd. (May 2019 – March 2020); Chief Financial Officer of Kinross Gold Corporation (December 2012 - April 2019)
Elaine Sanders British Columbia, Canada *VP, Chief Financial Officer and Corporate Secretary*	52	January 30, 2012[(2)]	Vice President and Chief Financial Officer of Trilogy (2012 – present); Corporate Secretary of Trilogy (2011 – present)

(1) Mr. Giardini was appointed President and Chief Executive Officer on June 1, 2020.

(2) Ms. Sanders was appointed Chief Financial Officer on January 30, 2012. She became a full-time employee of the Company on November 13, 2012.

Competitive Conditions

The mineral exploration and development industry is competitive in all phases of exploration, development and production. There is a high degree of competition faced by us in Alaska and elsewhere for skilled management employees, suitable contractors for drilling operations, technical and engineering resources, and necessary exploration and mining equipment, and many of these competitor companies have greater financial resources, operational expertise, and/or more advanced properties than us. Additionally, our operations are in a remote location where skilled resources and support services are limited. We have in place experienced management personnel and continue to evaluate the required expertise and skills to carry out our operations. As a result of this competition, we may be unable to achieve our exploration and development in the future on terms we consider acceptable or at all. See "*Item 1A. Risk Factors.*"

Available Information

We make available, free of charge, on or through our website, at www.trilogymetals.com our Annual Report on Form 10-K, which includes our audited financial statements, our Quarterly Reports on Form 10-Q, and our Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act. The SEC maintains a website that contains reports, proxy and information statements, and other information at www.sec.gov. Our website and the information contained therein or connected thereto are not intended to be, and are not incorporated into this Annual Report on Form 10-K.

Item 1A. RISK FACTORS

Investing in our securities is speculative and involves a high degree of risk due to the nature of our business and the present stage of exploration of our mineral properties. The following risk factors, as well as risks currently unknown to us, could materially adversely affect our future business, operations and financial condition and could cause them to

differ materially from the estimates described in forward-looking information relating to Trilogy, or our business, property or financial results, each of which could cause purchasers of securities to lose all or part of their investments.

Risks Related to the COVID Pandemic

The outbreak of the coronavirus (COVID-19) may affect our operations.

The Company faces risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions.

The Company's business could be adversely impacted by the effects of the coronavirus or other epidemics. In December 2019, a novel strain of the coronavirus (COVID-19) emerged in China and the virus has now spread around the world, including Canada and the U.S. The extent to which COVID-19 impacts the Company's business, including exploration and development activities at Ambler Metals and the market for its securities, will depend on future developments, which are uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak. In particular, the continued spread of the coronavirus and travel and other restrictions established to curb the spread of the COVID-19, has and could continue to materially and adversely impact the Company's business including without limitation, the planned exploration programs at Ambler Metals (see "*Significant Developments in 2020*" above), employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, the timing to process drill and other metallurgical testing, interruption of supplies from third parties upon which the Company relies and other factors that will depend on future developments beyond the Company's control, which may have a material and adverse effect on the its business, financial condition and results of operations.

There can be no assurance that the Company's personnel will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased medical costs or insurance premiums as a result of these health risks.

Risks Related to the Company's Mineral Properties

None of our mineral properties are in production or under development.

We have no history of commercially producing precious or base metals and all of our properties are in the exploration stage. There are no proven or probable reserves on the Upper Kobuk Mineral Projects, as defined in SEC Industry Guide 7. Mineral exploration involves significant risk, since few properties that are explored contain bodies of ore that would be commercially economic to develop into producing mines. We cannot assure you that we will establish the presence of any measured resources or proven or probable reserves at the Upper Kobuk Mineral Projects, or any other of our properties. The failure to establish proven or probable reserves would severely restrict our ability to implement our strategies for long-term growth. See "*Cautionary Note to United States Investors*".

We may not have sufficient funds to develop our mineral projects or to complete further exploration programs.

We have limited financial resources. We currently generate no mining operating revenue and must primarily finance exploration activity and the development of mineral projects by other means. Although South32 funded Ambler Metals in the amount of US$145 million upon formation of the joint venture as discussed above, in the future, once our share of such amount has been expended or we wish to acquire any other properties outside of Ambler Metals, our ability to continue exploration, development and production activities, if any, will depend on our ability to obtain additional external financing. Any unexpected costs, problems or delays could severely impact our ability to continue exploration and development activities. The failure to meet ongoing obligations on a timely basis could result in a loss or a substantial dilution of our interests in projects.

The sources of external financing that we may use for these purposes include project or bank financing or public or private offerings of equity and debt. In addition, we may enter into one or more strategic alliances or joint ventures, in

addition to our joint venture with South32, sell marketable securities held by the Company, decide to sell certain property interests, or utilize one or a combination of all of these alternatives. The financing alternative we choose may not be available on acceptable terms, or at all. If additional financing is not available, we may have to postpone further exploration or development of, or sell our interest in, one or more of our principal properties.

Even if one of our mineral projects is determined to be economically viable to develop into a mine, such development may not be successful.

If the development of one of our projects is found to be economically feasible and approved by our Board and in the case of the UKMP Projects, by our joint venture partner, South32, such development will require obtaining permits and financing, the construction and operation of mines, processing plants and related infrastructure, including road access. As a result, we are and will continue to be subject to all of the risks associated with establishing new mining operations, including:

- the timing and cost, which can be considerable, of the construction of mining and processing facilities and related infrastructure;
- the availability and cost of skilled labor and mining equipment;
- the availability and cost of appropriate smelting and refining arrangements;
- the need to obtain necessary environmental and other governmental approvals and permits and the timing of the receipt of those approvals and permits;
- the availability of funds to finance construction and development activities;
- potential opposition from non-governmental organizations, environmental groups or local groups which may delay or prevent development activities; and
- potential increases in construction and operating costs due to changes in the cost of fuel, power, materials and supplies.

The costs, timing and complexities of developing our projects may be greater than anticipated because our property interests are not located in developed areas, and, as a result, our property interests are not currently served by appropriate road access, water and power supply and other support infrastructure. Cost estimates may increase significantly as more detailed engineering work is completed on a project. It is common in new mining operations to experience unexpected costs, problems and delays during construction, development and mine start-up. In addition, delays in the early stages of mineral production often occur. Accordingly, we cannot provide assurance that we will ever achieve, or that our activities will result in, profitable mining operations at the UKMP Projects or any other property that we may acquire.

In addition, there can be no assurance that our mineral exploration activities will result in any discoveries of new mineralization. If further mineralization is discovered there is also no assurance that the mineralization would be economical for commercial production. Discovery of mineral deposits is dependent upon a number of factors and significantly influenced by the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit is also dependent upon a number of factors which are beyond our control, including the attributes of the deposit, commodity prices, government policies and regulation and environmental protection.

The Upper Kobuk Mineral Projects are located in a remote area of Alaska, and access to them is limited. Exploration and any future development or production activities may be limited and delayed by infrastructure challenges, inclement weather and a shortened exploration season.

We cannot provide assurances that the proposed AMDIAP that would provide access to the Ambler mining district will be built, that it will be built in a timely manner, that the cost of accessing the proposed road will be reasonable, that it will be built in the manner contemplated, or that it will sufficiently satisfy the requirements of the Upper Kobuk Mineral Projects. The proposed AMDIAP requires significant permitting and approvals, and the JROD issued in 2020 is currently subject to lawsuits which could delay or prevent the project. Further, changes in the U.S. federal administration may result in changes in interpretations or priorties which may further delay or prevent the proposed AMDIAP.

In addition, successful development of the Upper Kobuk Mineral Projects will require the development of the necessary infrastructure. If adequate infrastructure is not available in a timely manner, there can be no assurance that:

- the development of the Upper Kobuk Mineral Projects will be commenced or completed on a timely basis, if at all;
- the resulting operations will achieve the anticipated production volume; or
- the construction costs and operating costs associated with the development of the Upper Kobuk Mineral Projects will not be higher than anticipated.

As the Upper Kobuk Mineral Projects are located in a remote area, exploration, development and production activities may be limited and delayed by inclement weather and a shortened exploration season. The exploration of the UKMP Projects has also been impacted by COVID-19. See "*Risks Related to COVID-19*" above.

We are dependent on a third party that participates in exploration and development of our Upper Kobuk Mineral Projects.

In December 2019, South32 exercised its option to acquire a 50% interest in Ambler Metals. The formation of Ambler Metals was completed in February 2020 and Ambler Metals now owns the Upper Kobuk Mineral Projects. Our success with respect to the Upper Kobuk Mineral Projects depends on the efforts and expertise of South32 with whom we have contracted; we hold a 50% interest and the remaining 50% interest is held by South32, who is not under our control or direction. We are dependent on them for the progress and development of the Upper Kobuk Mineral Projects. South32 may also have different priorities which could impact the timing and cost of development of the Upper Kobuk Mineral Projects. The third party may also be in default of its agreement with us, without our knowledge, which may put the mineral property and related assets at risk. The existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on our ability to achieve our business plan, profitability, or the viability of our interests held with the third party, which could have a material adverse impact on our business, future cash flows, earnings, results of operations and financial condition: (i) disagreement with our business partner on how to develop and operate the Upper Kobuk Mineral Projects efficiently; (ii) inability to exert influence over certain strategic decisions made in respect of the jointly-held Upper Kobuk Mineral Projects; (iii) inability of our business partner to meet its obligations to the joint business or third parties; and (iv) litigation with our business partner regarding joint business matters.

We have no history of production and no revenue from mining operations.

We have a very limited history of operations and to date have generated no revenue from mining operations. As such, we are subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of significant revenues. There is no assurance that the Upper Kobuk Mineral Projects, or any other future projects will be commercially mineable, and we may never generate revenues from our mining operations.

Changes in the market price of copper, zinc and other metals, which in the past have fluctuated widely, will affect our ability to finance continued exploration and development of our projects and affect our operations and financial condition.

Our long-term viability will depend, in large part, on the market price of copper, zinc and other metals. The market prices for these metals are volatile and are affected by numerous factors beyond our control, including:

- global or regional consumption patterns;
- the supply of, and demand for, these metals;
- speculative activities;
- the availability and costs of metal substitutes;
- expectations for inflation; and
- political and economic conditions, including interest rates and currency values.

We cannot predict the effect of these factors on metal prices. A decrease in the market price of copper, zinc and other metals could affect our ability to raise funds to finance the exploration and development of any of our mineral projects, which would have a material adverse effect on our financial condition and results of operations. The market price of copper, zinc and other metals may not remain at current levels. In particular, an increase in worldwide supply, and consequent downward pressure on prices, may result over the longer term from increased copper production from mines developed or expanded as a result of current metal price levels. There is no assurance that a profitable market may exist or continue to exist.

Title and other rights to our properties may be subject to challenge.

We cannot provide assurance that title to our properties will not be challenged. We (through our interest in Ambler Metals) indirectly own mineral claims which constitute our property holdings. We may not have, or may not be able to obtain, all necessary surface rights to develop a property. Title insurance is generally not available for mineral properties and our ability to ensure that we have obtained a secure claim to individual mining properties may be severely constrained. Our mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. We have not conducted surveys of all of the claims in which we hold direct or indirect interests. A successful claim contesting our title to a property will cause us to lose our rights to explore and, if warranted, develop that property or undertake or continue production thereon. This could result in our not being compensated for our prior expenditures relating to the property. In addition, our ability to continue to explore and develop the property may be subject to agreements with other third parties including agreements with native corporations and first nations groups, for instance, the lands at the Upper Kobuk Mineral Projects are subject to the NANA Agreement (as more particularly described under *"History of Trilogy - Agreement with NANA Regional Corporation").*

We will incur losses for the foreseeable future.

We expect to incur losses unless and until such time as our mineral projects generate sufficient revenues to fund continuing operations. The exploration and development of our mineral properties will require the commitment of substantial financial resources that may not be available.

The amount and timing of expenditures will depend on a number of factors, including the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners and the acquisition of additional property interests, some of which are beyond our control. We cannot provide assurance that we will ever achieve profitability.

High metal prices in past years have encouraged increased mining exploration, development and construction activity, which has increased demand for, and cost of, exploration, development and construction services and equipment.

The relative strength of metal prices in past years has encouraged increases in mining exploration, development and construction activities around the world, which has resulted in increased demand for, and cost of, exploration, development and construction services and equipment. Increased demand for and cost of services and equipment could result in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability and may cause scheduling difficulties due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development and/or construction costs.

Risks Relating to the Mining Industry and Mineral Reserves

Mineral resource and reserve calculations are only estimates.

Any figures presented for mineral resources or reserves in this Form 10-K and in our other filings with securities regulatory authorities and those which may be presented in the future are and will only be estimates. There is a degree of uncertainty attributable to the calculation of mineral reserves and mineral resources. Until mineral reserves or mineral resources are actually mined and processed, the quantity of metal and grades must be considered as estimates only and no assurances can be given that the indicated levels of metals will be produced. In making determinations about whether to advance any of our projects to development, we must rely upon estimated calculations as to the mineral resources or reserves and grades of mineralization on our properties.

The estimating of mineral reserves and mineral resources is a subjective process that relies on the judgment of the persons preparing the estimates. The process relies on the quantity and quality of available data and is based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While we believe that the mineral resource estimates included in this Form 10-K for the Upper Kobuk Mineral Projects are well-established and reflect management's best estimates, by their nature mineral resource estimates are imprecise and depend, to a certain extent, upon analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. There can be no assurances that actual results will meet the estimates contained in feasibility studies or pre-feasibility studies. As well, further studies are required.

Estimated mineral reserves or mineral resources may have to be recalculated based on changes in metal prices, further exploration or development activity or actual production experience. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence mineral reserve or mineral resource estimates. The extent to which mineral resources may ultimately be reclassified as mineral reserves is dependent upon the demonstration of their profitable recovery. Any material changes in mineral resource estimates and grades of mineralization will affect the economic viability of placing a property into production and a property's return on capital. We cannot provide assurance that mineralization can be mined or processed profitably.

Our mineral resource estimates have been determined and valued based on assumed future metal prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for copper, zinc, lead, gold and silver may render portions of our mineralization uneconomic and result in reduced reported mineral resources, which in turn could have a material adverse effect on our results of operations or financial condition. We cannot provide assurance that mineral recovery rates achieved in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale.

A reduction in any mineral reserves that may be estimated by us could have an adverse impact on our future cash flows, earnings, results of operations and financial condition. No assurances can be given that any mineral resource estimates for the Upper Kobuk Mineral Projects will ultimately be reclassified as mineral reserves. See "*Cautionary Note to United States Investors*."

Significant uncertainty exists related to inferred mineral resources.

There is a risk that inferred mineral resources referred to in this Form 10-K cannot be converted into measured or indicated mineral resources as there may be limited ability to assess geological continuity. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration. See "*Cautionary Note to United States Investors*."

Mining is inherently risky and subject to conditions or events beyond our control.

The development and operation of a mine is inherently dangerous and involves many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome, including:

- unusual or unexpected geological formations;
- metallurgical and other processing problems;
- metal losses;
- environmental hazards;
- power outages;
- labor disruptions;
- industrial accidents;
- periodic interruptions due to inclement or hazardous weather conditions;
- flooding, explosions, fire, rockbursts, cave-ins and landslides;
- mechanical equipment and facility performance problems; and
- the availability of materials and equipment.

These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, including to our employees, environmental damage, delays in mining, increased production costs, asset write downs, monetary losses and possible legal liability. We may not be able to obtain insurance to cover these risks at economically feasible premiums, or at all. The Company's insurance premiums have increased in recent years and in other circumstances the scope of insurance coverage has been reduced. The Company also expects insurance premiums to increase due to the impacts of COVID-19. Insurance against certain environmental risks, including potential liability for pollution and other hazards associated with mineral exploration and production, is not generally available to companies within the mining industry. We may suffer a material adverse effect on our business if we incur losses related to any significant events that are not covered by our insurance policies.

We cannot provide assurance that we will successfully acquire commercially mineable mineral rights.

Exploration for and development of copper properties involves significant financial risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling, constructing mining and processing facilities at a site, developing metallurgical processes and extracting metals from ore. We cannot ensure that our current exploration and development programs will result in profitable commercial mining operations.

The economic feasibility of development projects is based upon many factors, including the accuracy of mineral resource estimates; metallurgical recoveries; capital and operating costs; government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting and environmental protection; and metal prices, which are highly volatile. Development projects are also subject to the successful completion of feasibility studies, issuance of necessary governmental permits and availability of adequate financing.

Most exploration projects do not result in the discovery of commercially mineable ore deposits, and no assurance can be given that any anticipated level of recovery of ore reserves, if any, will be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. Estimates of mineral reserves, mineral resources, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, the metallurgy of the mineralization forming the mineral deposit, unusual or unexpected geological formations and work interruptions. If current exploration programs do not result in the discovery of commercial ore, we may need to write-off part or all of our investment in our existing exploration stage properties and may need to acquire additional properties.

Material changes in mineral reserves, if any, grades, stripping ratios or recovery rates may affect the economic viability of any project. Our future growth and productivity will depend, in part, on our ability to develop commercially mineable mineral rights at our existing properties or identify and acquire other commercially mineable mineral rights, and on the costs and results of continued exploration and potential development programs. Mineral exploration is highly speculative in nature and is frequently non-productive. Substantial expenditures are required to:

- establish mineral resources and reserves through drilling and metallurgical and other testing techniques;
- determine metal content and metallurgical recovery processes to extract metal from the ore; and
- construct, renovate or expand mining and processing facilities.

In addition, if we discover ore, it would take several years from the initial phases of exploration until production is possible. During this time, the economic feasibility of production may change. As a result of these uncertainties, there can be no assurance that we will successfully acquire commercially mineable (or viable) mineral rights.

Risks Relating to Government Regulation

We are subject to significant governmental regulations.

Our exploration activities are subject to extensive federal, state, provincial and local laws and regulations governing various matters, including:

- environmental protection;
- the management and use of toxic substances and explosives;
- the management of natural resources;
- the exploration and development of mineral properties, including reclamation;
- exports;
- price controls;
- taxation and mining royalties;
- management of tailing and other waste generated by operations;

- labor standards and occupational health and safety, including mine safety;
- historic and cultural preservation; and
- transportation.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining, curtailing or closing operations or requiring corrective measures, installation of additional equipment or remedial actions, any of which could result in significant expenditures. We may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, could cause us to incur additional expense or capital expenditure restrictions, suspensions or closing of our activities and delays in the exploration and development of our properties.

We require further permits in order to conduct current and anticipated future operations, and delays in obtaining or failure to obtain such permits, or a failure to comply with the terms of any such permits that we have obtained, would adversely affect our business.

Our current and anticipated future operations, including further exploration, development and commencement of production on our mineral properties, require permits from various governmental authorities. Obtaining or renewing governmental permits is a complex and time-consuming process. The duration and success of efforts to obtain and renew permits are contingent upon many variables not within our control. Due to the preliminary stages of the Upper Kobuk Mineral Projects, it is difficult to assess what specific permitting requirements will ultimately apply.

Shortage of qualified and experienced personnel in the U.S. federal and Alaskan State agencies to coordinate a federally led joint environmental impact statement process could result in delays or inefficiencies. Backlog within the permitting agencies could affect the permitting timeline or potential of the Upper Kobuk Mineral Projects, as may negative public perception of mining projects in general due to circumstances unrelated to the Company and outside of its control. Other factors that could affect the permitting timeline include (i) the number of other large-scale projects currently in a more advanced stage of development which could slow down the review process for the Upper Kobuk Mineral Projects and (ii) significant public response regarding the Upper Kobuk Mineral Projects.

We cannot provide assurance that all permits that we require for our operations, including any for construction of mining facilities or conduct of mining, will be obtainable or renewable on reasonable terms, or at all. Delays or a failure to obtain such required permits, or the expiry, revocation or failure to comply with the terms of any such permits that we have obtained, would adversely affect our business.

Our activities are subject to environmental laws and regulations that may increase our costs and restrict our operations.

All of our exploration, potential development and production activities are subject to regulation by governmental agencies under various environmental laws. These laws address emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Environmental legislation is evolving, and the general trend has been towards stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on our behalf and may cause material changes or delays in our intended activities.

Several regulatory initiatives are currently ongoing within the State of Alaska that have the potential to influence the permitting process for the Upper Kobuk Mineral Projects. These include revisions to Alaska's Water Quality Standards regarding mixing zones regulations, which are currently under Environmental Protection Agency review, and which revisions may be required in order to authorize a mixing zone for discharge in Subarctic Creek. Future changes in these

laws or regulations could have a significant adverse impact on some portion of our business, requiring us to re-evaluate those activities at that time.

Environmental hazards may exist on our properties that are unknown to us at the present time and that have been caused by previous owners or operators or that may have occurred naturally. We may be liable for remediating such damage.

Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, causing operations to cease or to be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Land reclamation requirements for our exploration properties may be burdensome.

Land reclamation requirements are generally imposed on mineral exploration companies (as well as companies with mining operations) in order to minimize long term effects of land disturbance. Reclamation may include requirements to:

- treat ground and surface water to applicable water quality standards;
- control dispersion of potentially deleterious effluents; and
- reasonably re-establish pre-disturbance landforms and vegetation.

In order to carry out reclamation obligations imposed on us in connection with exploration, potential development and production activities, we must allocate financial resources that might otherwise be spent on further exploration and development programs. In addition, regulatory changes could increase our obligations to perform reclamation and mine closing activities. If we are required to carry out unanticipated reclamation work, our financial position could be adversely affected.

Risks Related to the Acquisition of New Projects

Risks inherent in acquisitions of new properties.

We may actively pursue the acquisition of exploration, development and production assets consistent with our acquisition and growth strategy. From time to time, we may also acquire securities of or other interests in companies with respect to which we may enter into acquisitions or other transactions. Acquisition transactions involve inherent risks, including but not limited to:

- accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates;
- ability to achieve identified and anticipated operating and financial synergies;
- unanticipated costs;
- diversion of management attention from existing business;
- potential loss of our key employees or key employees of any business acquired;
- unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition;
- decline in the value of acquired properties, companies or securities;

- assimilating the operations of an acquired business or property in a timely and efficient manner;
- maintaining our financial and strategic focus while integrating the acquired business or property;
- implementing uniform standards, controls, procedures and policies at the acquired business, as appropriate; and
- to the extent that we make an acquisition outside of markets in which it has previously operated, conducting and managing operations in a new operating environment.

Acquiring additional businesses or properties could place increased pressure on our cash flow if such acquisitions involve a cash consideration. The integration of our existing operations with any acquired business will require significant expenditures of time, attention and funds. Achievement of the benefits expected from consolidation would require us to incur significant costs in connection with, among other things, implementing financial and planning systems. We may not be able to integrate the operations of a recently acquired business or restructure our previously existing business operations without encountering difficulties and delays. In addition, this integration may require significant attention from our management team, which may detract attention from our day-to-day operations. Over the short-term, difficulties associated with integration could have a material adverse effect on our business, operating results, financial condition and the price of our Common Shares. In addition, the acquisition of mineral properties may subject us to unforeseen liabilities, including environmental liabilities, which could have a material adverse effect on us. There can be no assurance that any future acquisitions will be successfully integrated into our existing operations.

Any one or more of these factors or other risks could cause us not to realize the anticipated benefits of an acquisition of properties or companies and could have a material adverse effect on our financial condition.

We face industry competition in the acquisition of exploration properties and the recruitment and retention of qualified personnel.

We compete with other exploration and producing companies, many of which are better capitalized, have greater financial resources, operational experience and technical capabilities or are further advanced in their development or are significantly larger and have access to greater mineral reserves, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. If we require and are unsuccessful in acquiring additional mineral properties or in recruiting and retaining qualified personnel, we will not be able to grow at the rate we desire, or at all.

Risks Related to the Company's Executive Officers and Board of Directors

We may experience difficulty attracting and retaining qualified management and technical personnel to grow our business.

We are dependent on the services of key executives and other highly skilled and experienced personnel to advance our corporate objectives as well as the identification of new opportunities for growth and funding. Mr. Giardini and Ms. Sanders are currently our only executive officers. It will be necessary for us to recruit additional skilled and experienced executives. Our inability to do so, or the loss of any of these persons or our inability to attract and retain suitable replacements for them, or additional highly skilled employees required for our activities, would have a material adverse effect on our business and financial condition.

Some of our directors and officers have conflicts of interest as a result of their involvement with other natural resource companies.

Certain of our directors and officers also serve as directors or officers, in other companies involved in natural resource exploration and development or mining-related activities, including, in particular, NovaGold. To the extent that such other companies may participate in ventures in which we may participate in, or in ventures which we may seek to

participate in, our directors and officers may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In all cases where our directors and officers have an interest in other companies, such other companies may also compete with us for the acquisition of mineral property investments. Any decision made by any of these directors and officers involving Trilogy will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of Trilogy and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which these directors may have a conflict of interest in accordance with the procedures set forth in the *Business Corporations Act* (British Columbia) and other applicable laws. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. Nonetheless, as a result of these conflicts of interest, the Company may not have an opportunity to participate in certain transactions, which may have a material adverse effect on the Company's business, financial condition, results of operation and prospects.

In the future, we may be subject to legal proceedings.

Due to the nature of our business, we may be subject to numerous regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of our business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in litigation, including the effects of discovery of new evidence or advancement of new legal theories, the difficulty of predicting decisions of judges and juries and the possibility that decisions may be reversed on appeal. There can be no assurances that these matters will not have a material adverse effect on our business.

General Risk Factors

General economic conditions may adversely affect our growth, future profitability and ability to finance.

The unprecedented events in global financial markets in the past several years and the current impact of COVID-19 have had a profound impact on the global economy. Many industries, including the copper mining industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. A worsening or slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect our growth and ability to finance. Specifically:

- the volatility of copper, zinc, lead and other metal prices would impact our estimates of mineral resources, revenues, profits, losses and cash flow, and the feasibility of our projects;
- negative economic pressures could adversely impact demand for our future production, if any;
- construction related costs could increase and adversely affect the economics of any project;
- volatile energy, commodity and consumables prices and currency exchange rates could impact our estimated production costs; and
- the devaluation and volatility of global stock markets would impact the valuation of our equity and other securities.

Future sales or issuances of equity securities could decrease the value of any existing Common Shares, dilute investors' voting power and reduce our earnings per share.

We may sell additional equity securities (including through the sale of securities convertible into Common Shares) and may issue additional equity securities to finance our operations, exploration, development, acquisitions or other projects. We are authorized to issue an unlimited number of Common Shares. We cannot predict the size of future sales

and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in our earnings per share.

Our largest shareholder has significant influence on us and may also affect the market price and liquidity of the securities.

Electrum Strategic Opportunities Fund L.P. ("Electrum") is our single largest shareholder, controlling approximately 20% of the outstanding voting securities. Accordingly, Electrum will have significant influence in determining the outcome of any corporate transaction or other matter submitted to the shareholders for approval, including mergers, consolidations and the sale of all or substantially all of our assets and other significant corporate actions. Unless significant participation of other shareholders takes place in such shareholder meetings, Electrum may be able to approve such matters itself. The concentration of ownership of the shares by Electrum may: (i) delay or deter a change of control of the Company; (ii) deprive shareholders of an opportunity to receive a premium for their shares as part of a sale of the Company; and (iii) affect the market price and liquidity of the shares. Without the consent of Electrum, we could be prevented from entering into transactions that are otherwise beneficial to us. The interests of Electrum may differ from or be adverse to the interests of our other shareholders. The effect of these rights and Electrum's influence may impact the price that investors are willing to pay for securities. If Electrum sells a substantial number of shares in the public market, the market price of the shares could fall. The perception among the public that these sales will occur could also contribute to a decline in the market price of the shares.

Our Common Shares are subject to various factors that have historically made share prices volatile.

The market price of our Common Shares may be subject to large fluctuations, which may result in losses to investors. The market price of the Common Shares may increase or decrease in response to a number of events and factors, including: our operating performance and the performance of competitors and other similar companies; volatility in metal prices; the arrival or departure of key personnel; the number of Common Shares to be publicly traded after an offering; the public's reaction to our press releases, material change reports, other public announcements and our filings with the various securities regulatory authorities; changes in earnings estimates or recommendations by research analysts who track the Common Shares or the shares of other companies in the resource sector; changes in general economic and/or political conditions; acquisitions, strategic alliances or joint ventures involving us or our competitors; and the factors listed under the heading "*Cautionary Statement Regarding Forward-Looking Information.*"

The market price of the Common Shares may be affected by many other variables which are not directly related to our success and are, therefore, not within our control, including other developments that affect the market for all resource sector securities, the breadth of the public market for the Common Shares and the attractiveness of alternative investments.

We do not intend to pay any cash dividends in the foreseeable future.

We have not declared or paid any dividends on our Common Shares. Our current business plan requires that for the foreseeable future, any future earnings be reinvested to finance the growth and development of our business. We do not intend to pay cash dividends on the Common Shares in the foreseeable future. We will not declare or pay any dividends until such time as our cash flow exceeds our capital requirements and will depend upon, among other things, conditions then existing including earnings, financial condition, restrictions in financing arrangements, business opportunities and conditions and other factors, or our Board determines that our shareholders could make better use of the cash.

We may be a "passive foreign investment company" in future periods, which may have adverse U.S. federal income tax consequences for U.S. shareholders.

U.S. investors in the Company should be aware that we believe we were not a passive foreign investment company ("PFIC") for the years ending November 30, 2015, 2016, 2017, 2020 and 2021 but we believe we were a PFIC for the years ending November 30, 2018 and 2019 and may be a PFIC in future tax years. If we are a PFIC for any year during a U.S. Holder's (as defined below under *Certain U.S. Federal Income Tax Considerations – U.S. Holders*") holding period, then such U.S. Holder generally will be required to treat any gain realized upon a disposition of Common Shares and any so-called "excess distribution" received on its Common Shares as ordinary income, and to pay an interest charge on a portion of such gain or distributions, unless the shareholder makes a timely and effective "QEF Election" or a "Mark-to-Market Election" (each as defined below under "*Certain U.S. Federal Income Tax Considerations – Default PFIC Rules under Section 1291 of the Code*"). A U.S. Holder who makes a QEF Election generally must report on a current basis its share of our net capital gain and ordinary earnings for any year in which we are a PFIC, whether or not we distribute any amounts to our shareholders. A U.S. Holder who makes the Mark-to-Market Election generally must include as ordinary income each year the excess of the fair market value of the Common Shares over the U.S. Holder's tax basis therein. This paragraph is qualified in its entirety by the discussion below the heading "*Certain U.S. Federal Income Tax Considerations*." Each U.S. shareholder should consult its own tax advisor regarding the PFIC rules and the U.S. federal income tax consequences of the acquisition, ownership, and disposition of Common Shares.

Global climate change is an international concern and could impact our ability to conduct future operations.

Global climate change is an international issue and receives an enormous amount of publicity. We would expect that the imposition of international treaties or U.S. or Canadian federal, state, provincial or local laws or regulations pertaining to mandatory reductions in energy consumption or emissions of greenhouse gasses could affect the feasibility of our mining projects and increase our operating costs.

Adverse publicity from non-governmental organizations could have a material adverse effect on us.

There is an increasing level of public concern relating to the effect of mining production on our surroundings, communities and environment. Non-governmental organizations ("NGOs"), some of which oppose resource development, are often vocal critics of the mining industry. While we seek to operate in a socially responsible manner, adverse publicity generated by such NGOs related to extractive industries, or our operations specifically, could have an adverse effect on our reputation and financial condition or our relationship with the communities in which we operate.

We may fail to achieve and maintain the adequacy of our internal control over financial reporting as per the requirements of the Sarbanes-Oxley Act.

We are required to document and test our internal control procedures in order to satisfy the requirements of Section 404 of SOX. It requires an annual assessment by management of the effectiveness of our internal control over financial reporting. We may in the future fail to achieve and maintain the adequacy of our internal control over financial reporting, as such standards are modified, supplemented or amended from time to time, and we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 of SOX. Our failure to satisfy the requirements of Section 404 of SOX on an ongoing, timely basis could result in the loss of investor confidence in the reliability of our financial statements, which in turn could harm our business and negatively impact the trading price of our Common Shares. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations. Future acquisitions of companies may provide us with challenges in implementing the required processes, procedures and controls in our acquired operations. Acquired companies may not have disclosure control and procedures or internal control over financial reporting that are as thorough or effective as those required by securities laws currently applicable to us.

Our business is subject to evolving corporate governance and public disclosure regulations that have increased both our compliance costs and the risk of noncompliance, which could have an adverse effect on our stock price.

We are subject to changing rules and regulations promulgated by a number of United States and Canadian governmental and self-regulated organizations, including the SEC, the Canadian Securities Administrators, the NYSE American, the TSX, and the Financial Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity and many new requirements have been created in response to laws enacted by the United States Congress, making compliance more difficult and uncertain. Our efforts to comply with new rules and regulations, including those promulgated under Dodd-Frank, have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

The following descriptions summarize selected information about the Upper Kobuk Mineral Projects, which are located in the Ambler mining district of Alaska and include the Arctic Project and the Bornite Project. The Arctic Project and the Bornite Project are held by Ambler Metals, of which Trilogy holds a 50% interest. All mineral resources and mineral reserve estimates with respect to the Arctic Project and Bornite Project that are disclosed in this Annual Report on Form 10-K are reported on a 100% basis. All of the UKMP Projects are without known reserves, as defined under SEC Industry Guide 7, and all proposed programs for the properties are exploratory in nature. Please also see "*Management's Discussion and Analysis—Project Activities*" for more information on the development and nature of our interest in the Upper Kobuk Mineral Projects.

Arctic Project

Except as otherwise stated, the scientific and technical information relating to the Arctic Project contained in this Form 10-K is derived from the 2020 Arctic Report titled "Arctic Feasibility Study Alaska, USA NI 43-101 Technical Report" with an effective date of August 20, 2020, prepared for Trilogy by Ausenco Engineering Canada Inc., Wood Canada Limited and SRK Consulting (Canada) Inc. The information regarding the Arctic Project is based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the 2020 Arctic Report which has been filed with certain Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

Arctic Project Description, Location and Access

Project Description

NovaGold acquired the Arctic Project from Kennecott Exploration Company and Kennecott Arctic Company (collectively, "Kennecott") in 2004. In 2011, NovaGold transferred all copper projects to NovaCopper Inc. and spun-out NovaCopper to its then existing shareholders in 2012. NovaCopper Inc. subsequently underwent a name change to Trilogy Metals Inc. in 2016. Under the Kennecott Purchase and Termination Agreement, Kennecott retained a 1% net smelter return (NSR) royalty that was subsequently sold by Kennecott. The 1% NSR runs with the lands and is purchasable at any time from the royalty holder for a one-time payment of $10 million.

The Arctic Project is directly held by Ambler Metals, a 50/50 joint venture formed between South32 and Trilogy in February 2020. Upon the formation of the joint venture, Trilogy contributed all of its Alaskan assets, including the Arctic

Project and the NANA Agreement, to Ambler Metals in exchange for a 50% membership interest and at the same time, South32 contributed $145 million in cash for a 50% membership interest.

The Arctic Project land tenure consists of 1,988 contiguous State mining claims, including 905 40-acre claims, 1,083 160-acre claims, and 18 Federal patented claims comprising 271.9 acres (110 ha) held in the name of Ambler Metals.

Surface use of the private land held as Federal patented claims is limited only by reservations in the patents and by generally-applicable environmental laws. Surface use of State claims allows the owner of the mining claim to make such use of the surface as is "necessary for prospecting for, extraction of, or basic processing of minerals."

NANA controls lands granted under the Alaska Native Claims Settlement Act to the south of the Arctic Project boundary. Ambler Metals and NANA are parties to the NANA Agreement that consolidates the parties' land holdings into an approximately 172,675 ha land package and provides a framework for the exploration and development of the area. The NANA Agreement has a term of 20 years, with an option in favour of Ambler Metals to extend the term for an additional 10 years. If, following receipt of a feasibility study and the release for public comment of a related draft environmental impact statement, a decision is made to proceed with construction of a mine on the lands subject to the NANA Agreement, NANA will have 120 days to elect to either (a) exercise a non-transferrable back-in-right to acquire between 16% and 25% (as specified by NANA) of that specific project; or (b) not exercise its back-in-right, and instead receive a net proceeds royalty equal to 15% of the net proceeds realized from such project. In the event that NANA elects to exercise its back-in-right, the parties will, as soon as reasonably practicable, form a joint venture with NANA electing to participate between 16% to 25%, and Ambler Metals owning the balance of the interest in the joint venture. If Ambler Metals decides to proceed with construction of a mine on its own lands subject to the NANA Agreement, NANA will enter into a surface use agreement which will afford Ambler Metals access to the Arctic Project along routes approved by NANA. In consideration for the grant of such surface use rights, NANA will receive a 1% net smelter royalty on production and provide an annual payment on a per acre basis.

Location and Access

The Arctic Project is located in the Ambler mining district of the southern Brooks Range, in the Northwest Arctic Borough (NWAB) of Alaska. The Property is geographically isolated with no current road access or nearby power infrastructure. The Arctic Project is located 270 km east of the town of Kotzebue, 37 km north of the village of Kobuk, and 260 km west of the Dalton Highway, an all-weather state-maintained highway.

Primary access to the Arctic Project is by air, using both fixed wing aircraft and helicopters. There are four well-maintained, approximately 1,500 m-long gravel airstrips located near the Arctic Project, capable of accommodating charter fixed wing aircraft. These airstrips are located 64 km west at Ambler, 46 km southwest at Shungnak, 37 km southwest at Kobuk, and 34 km southwest at Dahl Creek. There is daily commercial air service from Kotzebue to the village of Kobuk, the closest community to the Arctic Project. During the summer months, the Dahl Creek Camp airstrip is suitable for larger aircraft, such as a C-130 and DC-6.

In addition to the four 1,500 m airstrips, there is a 700 m airstrip located at the Bornite Camp. The airstrip at Bornite is suited to smaller aircraft, which support the Bornite Camp with personnel and supplies. There is also a 450 m airstrip (Arctic airstrip) located at the base of Arctic Ridge that can support smaller aircraft.

A winter trail and a one-lane dirt track suitable for high-clearance vehicles or construction equipment links the Arctic Project's main camp located at Bornite to the Dahl Creek airstrip southwest of the Arctic deposit. An unimproved gravel track connects the Arctic airstrip with the Arctic deposit.

History

Prospectors first arrived in the Ambler Mining District around 1900, shortly after the discovery of the Nome and Fairbanks gold districts. Several years later, small gold placer deposits were located in the southern Cosmos Hills south of the Arctic deposit and worked intermittently over ensuing decades for gold and nephrite. During this time copper mineralization

was observed at Ruby Creek in the northern Cosmos Hills; however, no exploration was undertaken until 1947 when local prospector Rhinehart "Rhiny" Berg located outcropping copper mineralization along Ruby Creek. Berg subsequently staked claims over the Ruby Creek showings and constructed an airstrip for access (alaskamininghalloffame.org 2012).

Bear Creek Mining Company ("BCMC"), an exploration subsidiary of Kennecott, optioned the property from Berg in 1957. The prospect became known as Bornite and Kennecott conducted extensive exploration over the next decade, culminating in the discovery of the high-grade No. 1 zone and the sinking of an exploration shaft to conduct underground drilling.

In conjunction with the discovery of the Bornite deposit, BCMC greatly expanded their regional reconnaissance exploration in the Cosmos Hills and the southern Brooks Range. Stream silt sampling in 1965 revealed a significant copper anomaly in Subarctic Creek roughly 27 km northeast of Bornite. The area was subsequently staked and, in 1967, eight core holes were drilled at the Arctic deposit yielding massive sulphide intercepts over an almost 500-m strike length.

BCMC conducted intensive exploration on the property until 1977 and then intermittently through 1998. No drilling or additional exploration was conducted on the Arctic Project between 1999 and 2003.

In addition to drilling and exploration at the Arctic deposit, BCMC also conducted exploration at numerous other prospects in the Ambler Mining District (most notably Dead Creek, Sunshine, Cliff, and Horse). The abundance of VMS prospects in the district resulted in a series of competing companies in the area, including Sunshine Mining Company, Anaconda Company, Noranda Exploration Company, GCO Minerals Company, Cominco American Resource Inc. (Cominco), Teck Cominco, Resource Associates of Alaska, Watts, Griffis and McOuat Ltd., and Houston Oil and Minerals Company, culminating into a claim staking war in the district in 1973. Falconbridge and Union Carbide also conducted work later in the district.

District exploration by Sunshine Mining Company and Anaconda resulted in two additional significant discoveries in the district; the Sun deposit located 60 km east of the Arctic deposit, and the Smucker deposit located 36 km west of the Arctic deposit. These two deposits are outside the current Arctic Project area.

District exploration continued until the early 1980s on the four larger deposits in the district (Arctic, Bornite, Smucker and Sun) when the district fell into a hiatus due to depressed metal prices.

In 1987, Cominco acquired the claims covering the Sun and Smucker deposits from Anaconda. Teck Resources Limited, as Cominco's successor company, continues to hold the Smucker deposit. In 2007, Andover Mining Corporation purchased a 100% interest in the Sun deposit for US$13 million and explored the property through 2013. The Sun deposit and adjacent lands were acquired by Valhalla Metals Inc., a private company, which staked over the Sun deposit in 2017 after the creditors for the bankrupt Andover Mining Corporation failed to pay the annual rent of the state claims and submit the Annual Labour Statement.

In 1981 and 1983, Kennecott received three US Mineral Survey patents (MS2245 totaling 240 acres over the Arctic deposit – later amended to include another 32 acres; and MS2233 and MS2234 for 25 claims totaling 516.5 acres at Bornite). The Bornite patented claims and surface development were subsequently sold to NANA Regional Corporation, Inc. in 1986.

No production has occurred at the Arctic deposit or at any of the other deposits within the Ambler Mining District.

Prior Ownership and Ownership Changes – Arctic Deposit and the Ambler Lands

BCMC initially staked federal mining claims covering the Arctic deposit area beginning in 1966. The success of the 1960's drill programs defined a significant high-grade polymetallic resource at the Arctic deposit and, in the early 1970s, Kennecott began the patent process to obtain complete legal title to the Arctic deposit. In 1981, Kennecott received US Mineral Survey patent M2245 covering 16 mining claims totaling 240.018 acres. In 1983, US Mineral Survey patent M2245 was amended to include two additional claims totaling 31.91 acres.

With the passage of the Alaska National Interest Lands Conservation Act in 1980, which expedited native land claims outlined in the ANSCA and State lands claims under the Alaska Statehood Act, both the State of Alaska and NANA selected significant areas of land within the Ambler Mining District. State selections covered much of the Ambler schist belt, host to the volcanogenic massive sulphide deposits including the Arctic deposit, while NANA selected significant portions of the Ambler Lowlands to the immediate south of the Arctic deposit as well as much of the Cosmos Hills including the area immediately around Bornite.

In 1995, Kennecott renewed exploration in the Ambler schist belt containing the Arctic deposit patented claims by staking an additional 48 state claims at Nora and 15 state claims at Sunshine Creek. In the fall of 1997, Kennecott staked 2,035 state claims in the belt consolidating their entire land position and acquiring the majority of the remaining prospective terrain in the VMS belt. Five more claims were subsequently added in 1998. After a short period of exploration which focused on geophysics and geochemistry combined with limited drilling, exploration work on the Arctic Project again entered a hiatus.

On March 22, 2004, Alaska Gold Company, a wholly-owned subsidiary of NovaGold completed an Exploration and Option Agreement with Kennecott to earn an interest in the Ambler land holdings.

Previous Exploration and Development Results – Arctic Deposit

Kennecott's ownership of the Arctic Project saw two periods of intensive work from 1965 to 1985 and from 1993 to 1998, before optioning the property to NovaGold in 2004.

Though reports, memos, and files exist in Kennecott's Salt Lake City office, only limited digital compilation of the data exists for the earliest generation of exploration at the Arctic deposit and within the VMS belt. Beginning in 1993, Kennecott initiated a re-evaluation of the Arctic deposit and assembled a computer database of previous work at the Arctic deposit and in the district. A computer-generated block model was constructed in 1995 and an updated resource estimate was performed using the block model. Subsequently, Kennecott staked a total of 2,035 State of Alaska claims in 1997 and, in 1998 undertook the first field program since 1985.

Due to the number of companies and the patchwork exploration that occurred as a result of the 1973 staking war, much of the earliest exploration work on what now constitutes the Ambler Schist belt was lost during the post-1980 hiatus in district exploration. The following subsections outline the best documented data at the Arctic deposit as summarized in the 1998 Kennecott exploration report, including the assembled computer database; however, this outline is not considered to be either exhaustive or in-depth.

In 1982, geologists with Kennecott, Anaconda and the State of Alaska published the definitive geologic map of the Ambler schist belt (Hitzman et al. 1982).

Table 6-1 of the 2020 Arctic Report lists known exploration mapping, geochemical, and geophysical programs conducted for VMS targets in the Ambler Mining District.

Geological Setting, Mineralization and Deposit Types

Regional Geology – Southern Brooks Range

The Ambler Mining District occurs along the southern margin of the Brooks Range within an east-west trending zone of Devonian to Jurassic age submarine volcanic and sedimentary rocks (Hitzman et al., 1986). The district covers both: 1) VMS-like deposits and prospects hosted in the Devonian age Ambler Sequence (or Ambler Schist belt), a group of metamorphosed bimodal volcanic rocks with interbedded tuffaceous, graphitic and calcareous volcaniclastic metasediments; and 2) epigenetic carbonate-hosted copper deposits occurring in Silurian to Devonian age carbonate and phyllitic rocks of the Bornite Carbonate Sequence. The Ambler Sequence occurs in the upper part of the Anirak Schist, the thickest member of the Schist belt or Coldfoot subterrane (Moore et al., 1994). VMS-like stratabound mineralization can be found along the entire 110 km strike length of the district. Immediately south of the Schist belt, in

the Cosmos Hills, a time equivalent section of the Anirak Schist that includes the approximately 1 km thick Bornite Carbonate Sequence. Mineralization of both the VMS-like deposits of the Schist belt and the carbonate-hosted deposits of the Cosmos Hills has been dated at 375 to 387 Ma (Selby et al., 2009; McClelland et al., 2006).

In addition, the Ambler Mining District is characterized by increasing metamorphic grade north perpendicular to the strike of the east-west trending units. The district shows isoclinal folding in the northern portion and thrust faulting to south (Schmidt, 1983). The Devonian to Late Jurassic age Angayucham basalt and the Triassic to Jurassic age mafic volcanic rocks are in low-angle over thrust contact with various units of the Ambler Schist belt and Bornite Carbonate Sequence along the northern edge of the Ambler Lowlands.

Ambler Sequence Geology

Rocks that form the Ambler Sequence consist of a lithologically diverse sequence of lower Devonian age carbonate and siliciclastic strata with interlayered mafic lava flows and sills. The clastic strata, derived from terrigenous continental and volcanic sources, were deposited primarily by mass-gravity flow into the sub-wavebase environment of an extending marginal basin.

The Ambler Sequence underwent two periods of intense, penetrative deformation. Sustained upper greenschist-facies metamorphism with coincident formation of a penetrative schistosity and isoclinal transposition of bedding marks the first deformation period. Pervasive similar-style folds on all scales deform the transposed bedding and schistosity, defining the subsequent event. At least two later non-penetrative compressional events deform these earlier fabrics. Observations of the structural and metamorphic history of the Ambler Mining District are consistent with current tectonic evolution models for the Schist belt, based on the work of others elsewhere in the southern Brooks Range (Gottschalk and Oldow, 1988; Till et al., 1988; Vogl et al., 2002).

Arctic Deposit Geology

Previous workers at the Arctic deposit (Russell 1995 and Schmidt 1983) describe three mineralized horizons: the Main Sulphide Horizon, the Upper South Horizon and the Warm Springs Horizon. The Main Sulphide Horizon was further subdivided into three zones: the southeast zone, the central zone and the northwest zone. Previous deposit modelling was grade-based resulting in numerous individual mineralized zones representing relatively thin sulphide horizons.

Recent work by Trilogy defines the Arctic deposit as two or more discrete horizons of sulphide mineralization contained in a complexly deformed isoclinal fold with an upright upper limb and an overturned lower limb hosting the main mineralization. Nearby drilling suggests that a third upright lower limb, likely occurs beneath the currently explored stratigraphy.

Mineralization

Mineralization occurs as stratiform semi-massive sulphide (“SMS”) to massive sulphide (“MS”) beds within primarily graphitic schists and fine-grained quartz mica schists. The sulphide beds average 4 m in thickness but vary from less than 1 m up to as much as 18 m in thickness. The sulphide mineralization occurs within eight modelled zones lying along the upper and lower limbs of the Arctic isoclinal anticline. The zones are all within an area of roughly 1 km^2 with mineralization extending to a depth of approximately 250 m below the surface. There are five zones of MS and SMS that occur at specific pseudo-stratigraphic levels which make up the bulk of the Mineral Resource estimate. The other three zones also occur at specific pseudo-stratigraphic levels, but are too discontinuous.

Unlike more typical VMS deposits, mineralization is not characterized by steep metal zonation or massive pyritic zones. Mineralization dominantly consists of sheet-like zones of base metal sulphides with variable pyrite and only minor zonation, usually on a small scale.

Mineralization is predominately coarse-grained sulphides comprising chalcopyrite, sphalerite, galena, tetrahedrite-tennantite, pyrite, arsenopyrite, and pyrrhotite. Sulphides occur as disseminated (<30%), semi-massive (30 to 50%

sulphide) to massive (greater than 50% sulphide) layers. Trace amounts of electrum are also present. Gangue minerals associated with the mineralized horizons include quartz, barite, white mica, chlorite, stilpnomelane, talc, calcite, dolomite and cymrite.

Deposit Types

The mineralization at the Arctic deposit and at several other known occurrences within the Ambler Sequence stratigraphy of the Ambler Mining District consists of Devonian age, polymetallic (zinc-copper-lead-silver-gold) VMS-like occurrences.

VMS deposits are formed by and associated with sub-marine volcanic-related hydrothermal events. These events are related to spreading centres such as fore arc, back arc or mid-ocean ridges. VMS deposits are often stratiform accumulations of sulphide minerals that precipitate from hydrothermal fluids on or below the seafloor. These deposits are found in association with volcanic, volcaniclastic and/or siliciclastic rocks. They are classified by their depositional environment and associated proportions of mafic and/or felsic igneous rocks to sedimentary rocks. There are five general classifications (Franklin et al., 2005) based on rock type and depositional environment:

- Mafic rock dominated often with ophiolite sequences, often called Cyprus type.
- Bimodal-mafic type with up to 25% felsic volcanic rocks.
- Mafic-siliciclastic type with approximately equal parts mafic and siliciclastic rocks, which can have minor felsic rocks and are often called Besshi type.
- Felsic-siliciclastic type with abundant felsic rocks, less than 10% mafic rocks and shale rich.
- Bimodal-felsic type where felsic rocks are more abundant than mafic rocks with minor sedimentary rocks also referred to as Kuroko type.

Prior to any subsequent deformation and/or metamorphism, these deposits are often bowl or mound-shaped with stockworks and stringers of sulphide minerals found near vent zones. These types of deposit exhibit an idealized zoning pattern as follows:

- Pyrite and chalcopyrite near vents.
- A halo around the vents consisting of chalcopyrite, sphalerite and pyrite.
- A more distal zone of sphalerite and galena and metals such as manganese.
- Increasing manganese with oxides such as hematite and chert more distal to the vent.

Alteration halos associated with VMS deposits often contain sericite, ankerite, chlorite, hematite and magnetite close to the VMS with weak sericite, carbonate, zeolite, prehnite and chert more distal. These alteration assemblages and relationships are dependent on the degree of post deposition deformation and metamorphism. A modern analogue of this type of deposit is found around fumaroles or black smokers in association with rift zones.

In the Ambler Mining District, VMS-like mineralization occurs in the Ambler Sequence schists over a strike length of approximately 110 km. These deposits are hosted in volcaniclastic, siliciclastic and calcareous metasedimentary rocks interlayered with mafic and felsic metavolcanic rocks. Sulphide mineralization occurs above the mafic metavolcanic rocks but below the Button schist, a distinctive district wide felsic unit characterized by large K-feldspar porphyroblasts after relic phenocrysts. The presence of the mafic and felsic metavolcanic units is used as evidence to suggest formation in a rift-related environment, possibly proximal to a continental margin. Based on these characteristics, the Arctic deposit is similar to Kuroko-type VMS deposits.

Historic interpretation of the genesis of the Ambler Schist belt deposits has called for a syngenetic VMS origin with steep thermal gradients in and around seafloor hydrothermal vents resulting in metal deposition due to the rapid cooling of chloride-complexed base metals. A variety of VMS types have been well documented in the literature (Franklin et al., 2005) with the Ambler Schist belt deposits most similar to deposits associated with bimodal felsic dominant volcanism related to incipient rifting.

The majority of field observations broadly support such a scenario at the Arctic deposit and include: 1) the tectonic setting with Devonian volcanism in an evolving continental rift; 2) the geologic setting with bimodal volcanic rocks including pillow basalts and felsic volcanic tuffs; 3) an alteration assemblage with well-defined magnesium-rich footwall alteration and sodium-rich hanging wall alteration; and 4) typical polymetallic base-metal mineralization with massive and semi-massive sulphides.

A preserved sulphide-smoker occurrence has been tentatively identified near Dead Creek, northwest of the Arctic deposit and suggests local hydrothermal venting during deposition. However, the lack of stockworks and stringer-type mineralization at the Arctic deposit suggest that the deposit may not be a proximal vent-type VMS. Although the deposit is stratiform in nature, it exhibits characteristics and textures common to replacement-style mineralization. At least some of the mineralization may have formed as a diagenetic replacement.

A VMS model is considered applicable for use in exploration targeting in the Arctic Project area.

Exploration

Table 1 summarizes the exploration work conducted by NovaGold and Trilogy from 2004 to the present. Field exploration was largely conducted during the period between 2004 to 2007 with associated engineering and characterization studies between 2008 and 2019.

Table 1 - Summary of Overall Exploration Activities Targeting VMS Style Mineralization in the Ambler Sequence Stratigraphy and the Arctic Deposit

Work Completed	Year	Details	Focus
Geological Mapping			
-	2004	-	Arctic deposit surface geology
-	2005	-	Ambler Sequence west of the Arctic deposit
-	2006	-	COU, Dead Creek, Sunshine, Red
-	2015, 2016	SRK	Geotechnical Structural Mapping
-	2016	-	Arctic deposit surface geology
Geophysical Surveys			
SWIR Spectrometry	2004	2004 drill holes	Alteration characterization
TDEM	2005	2 loops	Follow-up of Kennecott DIGHEM EM survey
	2006	13 loops	District targets
	2007	6 loops	Arctic extensions
Downhole EM	2007	4 drill holes	Arctic deposit
VTEM Plus (Versatile Time Domain Electromagnetic) airborne helicopter geophysical	2019	400m line spacing with 200m infill with tie lines 4000m spacing	Ambler Mining District and Cosmos Hills with infill over Arctic, Sunshine and Horse-Cliff
ZTEM (Z-Axis Tipper Electromagnetic) airborne helicopter geophysical	2019	400m line spacing with tie lines 4000m spacing	Ambler Mining District and Cosmos Hills with infill over Arctic, Sunshine and Horse-Cliff
Geochemistry			
-	2005	-	Stream silts – core area prospects
-	2006	-	Soils – core area prospects
-		-	Stream silts – core area prospects
-	2007	-	Soils – Arctic deposit area
Survey			
Collar	2004 to 2011, 2018, 2019	DGPS	All 2004 to 2019 NovaCopper drill holes
	2004, 2008	Resurveys	Historical Kennecott drill holes
Photography/Topography	2010	-	Photography/topography
LiDAR Survey	2015, 2016	-	LiDAR over Arctic Deposit
Technical Studies			
Geotechnical	2010	BGC	Preliminary geotechnical and hazards
ML/ARD	2011	SRK	Preliminary ML and ARD
Metallurgy	2012	SGS	Preliminary mineralogy and metallurgy
Geotechnical and Hydrology	2012	BGC	Preliminary rock mechanics and hydrology

Note: SWIR = short wave infrared; LiDAR = light detection and ranging; ML = metal leaching; BGC = BGC Engineering Inc.; SGS = SGS Canada; ALS = ALS Metallurgy

Drilling

Drilling at the Arctic deposit and within the Ambler Mining District has been ongoing since its initial discovery in 1967. Approximately 60,857 m of drilling was completed within the Ambler Mining District, including 42,571 m of drilling in 207 drill holes at the Arctic deposit or on potential extensions in 29 campaigns spanning 52 years. Drill programs were completed by Kennecott and its subsidiaries, Anaconda, and Trilogy and its predecessor companies.

Core recoveries are acceptable. Geological and geotechnical logging is in line with industry generally-accepted practices. Drill collar and downhole survey data were collected using industry-recognized instrumentation and methods at the time the data were collected.

Between 2004 and 2005, NovaGold conducted a systematic drill core re-logging and re-sampling campaign of Kennecott and BCMC era drill holes. NovaGold either took 1 m to 2 m samples every 10 m, or sampled entire lengths of previously un-sampled core within a minimum of 1 m and a maximum of 3 m intervals. During the Trilogy campaigns, sample intervals were determined by the geological relationships observed in the core and limited to a 2.5 m to 3 m maximum length and 0.3 m minimum length. An attempt was made to terminate sample intervals at lithological and mineralization boundaries. Sampling was generally continuous from the top to the bottom of the drill hole. When the hole was in un-mineralized rock, the sample length was generally 3 m, whereas in mineralized units, the sample length was shortened to 1 m to 2 m with a maximum of 2.5 m.

Gold assays were conducted using fire assay fusion followed by an atomic absorption spectroscopy finish. An additional 49-element suite was assayed by inductively coupled plasma-mass spectroscopy (ICP-MS) methodology, following a four acid (hydrochloric, nitric, hydrofluoric, and perchloric) digestion. The copper, zinc, lead, and silver analyses were completed by AA, following a triple acid digest, in 2004 and 2005, and by inductively coupled plasma-atomic emission spectroscopy following a triple acid digestion from 2006 to 2019, when overlimits occurred with the ICP-MS methodology.

Standard reference materials, blanks, duplicates, and check samples have been regularly submitted at a combined level of 20% of sampling submissions for all NovaGold/NovaCopper/Trilogy era campaigns. BD Resource Consulting, Inc. reviewed the QA/QC dataset and reports and found the sample insertion rate and the timeliness of results received and reviewed meets or exceeds industry best practices.

SG measurements were conducted on 4,708 samples in the database and range from a minimum of 1.49 to a maximum of 5.35 and average 3.04. The distribution of SG data is considered sufficient to support estimation in the resource model.

Current Mineral Resource estimates and geologic models use topography completed in 2010 by PhotoSat Inc. The resolution of the satellite imagery used was at 0.5 m, and a 1 m contour map and digital elevation model were generated. An aerial LiDAR survey was completed to support feasibility level resource estimation, engineering design, environmental studies, and infrastructure layout evaluations. Agreement between surveyed drill hole collar elevations and a LiDAR topographic surface verifies the correctness of the digital topography for use in estimation.

It was concluded that the drill database and topographic surface for the Arctic deposit is reliable and sufficient to support the current estimate of mineral resources.

Sampling, Analysis and Data Verification

Sampling and Analysis

The data for the Arctic deposit were generated over three primary drilling campaigns: 1966 to 1986 when BCMC, a subsidiary of Kennecott was the primary operator, 1998 when Kennecott resumed work after a long hiatus, and 2004 to present under NovaGold, NovaCopper, and Trilogy.

Between 2004 and 2005, NovaGold conducted a systematic drill core re-logging and re-sampling campaign of Kennecott and BCMC era drill holes AR-09 to AR-74. NovaGold either took 1 to 2 m samples every 10 m, or sampled entire lengths of previously unsampled core within a minimum of 1 m and a maximum or 3 m intervals. The objective of the sampling was to generate a full ICP geochemistry dataset for the Arctic deposit and ensure continuous sampling throughout the deposit.

During NovaGold, NovaCopper, and Trilogy eras, samples were selected based on lithologic contacts, significant mineralization and alteration. Drill core was sampled at no less than 30 cm and no more than 2.5 m when in un-mineralized material, and 2 m maximum intervals when in mineralized material. All samples processed at the logging facility at the Bornite Camp were sawn in half with one half being sent to ALS Minerals in Vancouver, BC for analysis and the other half stored on site at the Bornite Camp. Shipment of core samples from the site occurred on a drill hole by drill hole basis. Rice bags, containing two to four poly-bagged core samples each, were marked and labelled with the ALS Minerals address, project and hole number, bag number, and sample numbers enclosed. Rice bags were secured with a pre-numbered plastic security tie and a twist wire tie and then assembled into standard fish totes for transport by chartered flights on a commercial airline to Fairbanks, where they were met by a contracted expeditor for delivery directly to the ALS Minerals preparation facility in Fairbanks. In addition to the core, control samples are inserted into the shipments at the approximate rate of one standard, one blank and one duplicate per 17 core samples.

Samples were logged into a tracking system on arrival at ALS Minerals, and weighed. Samples were then crushed, dried, and a 250 g split pulverized to greater than 85% passing 75 µm.

Gold assays were determined using fire assay fusion followed by an atomic absorption spectroscopy finish. The lower detection limit was 0.005 ppm gold; the upper limit was 1,000 ppm gold. An additional 49-element suite was assayed by ICP-MS, following a 4-acid digestion. The copper, zinc, lead, and silver analyses were completed by AA, following a triple acid digest, when over limit results occurred using the ICP-MS assay method.

Data Verification

Drill hole collars, topography, core logging, and database verification were completed by third party independent contractors. Quality assurance and quality control measures have been in place on an annual basis since 2011 with full data audits of the NovaGold era assay database including retaining independent consultant Caroline Vallat, P.Geo. of GeoSpark Consulting Inc. (“GeoSpark”) to: 1) re-load 100% of the historical assay certificates, 2) conduct a QA/QC review of paired historical assays and NovaGold era re-assays; 3) monitor an independent check assay program for the 2004 to 2008 and 2011-2019 drill campaigns; and 4) generate QA/QC reports for the NovaGold era 2004 to 2008 and NovaCopper/Trilogy era 2011, 2015, 2016, 2017 and 2019 drill campaigns.

BDRC reviewed the QA/QC dataset and reports and found the sample insertion rate and the timeliness of results analysis met or exceeded industry best practices. The QA/QC results indicate that the assay results collected by Trilogy, and previously by NovaGold and NovaCopper, are reliable and suitable for use in the Arctic FS.

Mineral Processing and Metallurgical Testing

Since 1970, metallurgical testwork has been conducted to evaluate the ability of the Arctic deposit to produce copper, lead and zinc concentrates. In-general, the samples tested produced similar metallurgical performances and the Arctic Project has seen the development of a robust metal recovery process to support the current operational plans. Work

conducted included mineralogy and flotation testing, locked cycle tests, comminution tests, copper/lead separation testwork, talc optimization testwork, and thickening and filtration testing.

Testwork can be broken into three key time periods:

1. Historical testwork completed prior to 2012, primarily by Kennecott Research Center in Utah, and Lakefield Research Ltd., Lakefield, Ontario;

2. Preliminary Trilogy test work conducted at SGS Mineral Services, Vancouver ("SGS Vancouver"), in 2012 to 2015; and

3. Detailed Trilogy test work conducted at ALS Metallurgy in Kamloops, BC ("ALS Metallurgy") in 2015 to 2019.

In 2012, SGS Vancouver conducted a metallurgical test program to further study metallurgical responses of the samples produced from Zones 1, 2, 3, and 5 of the Arctic deposit. The flotation test procedures used talc pre-flotation, conventional copper-lead bulk flotation and zinc flotation, followed by copper and lead separation. In general, the 2012-2015 test results indicated that the samples responded well to the flowsheet tested. The average results of the locked cycle tests (without copper and lead separation) were as follows:

- The copper recoveries to the bulk copper-lead concentrates ranged from 89 to 93% excluding the Zone 1 & 2 composite which produced a copper recovery of approximately 84%; the copper grades of the bulk concentrates were 24 to 28%.

- Approximately 92 to 94% of the lead was recovered to the bulk copper-lead concentrates containing 9 to 13% lead.

- The zinc recovery was 84.2% from Composite Zone 1 & 2, 93.0% from Composite Zone 3 and 90.5% from Composite Zone 5. On average, the zinc grades of the concentrates produced were higher than 55%, excluding the concentrate generated from Composite Zone 1 & 2, which contained only 44.5% zinc.

- Gold and silver were predominantly recovered into the bulk copper-lead concentrates. Gold recoveries to this concentrate ranged from 65 to 80%, and silver recoveries ranged from 80 to 86%.

Using an open circuit procedure, the copper and lead separation tests on the bulk copper–lead concentrate produced from the locked cycle tests generated reasonable copper and lead separation. The copper concentrates produced contained approximately 28 to 31% copper, while the grades of the lead concentrates were in the range of 41% to 67% lead. In this testwork program, it appeared that most of the gold reported to the copper concentrate and on average the silver was equally recovered into the copper and lead concentrates. Subsequent testwork to better define the copper and lead separation process was conducted in 2017, including a more detailed evaluation of the precious metal deportment in the copper and lead separation process.

Grindability testing was completed during both the SGS Vancouver and ALS Metallurgy testwork programs to support the design and economics of efficient grinding of the Arctic materials. SAG mill test results included a single JKTech drop-weight test and 19 SAG media competency tests using variability samples. Test results show the material is amenable to SAG milling and is relatively soft, with a reported breakage (axb) average value of 189.7. Bond ball mill work index (BWi) tests were completed on 44 samples and values ranged from 5.4 to 13.1 kWhr/t with an average BWi of 8.82 kWhr/t. Abrasion index (Ai) tests were completed on five samples and values fluctuated from 0.017 to 0.072 g for the measured samples. The data indicate that the samples are neither resistant nor abrasive to ball mill grinding. The materials are considered to be soft or very soft in terms of grinding requirements. The grinding testwork was used to support detailed grinding circuit design.

In 2017, ALS Metallurgy conducted detailed copper and lead separation flotation testwork using a bulk sample of copper–lead concentrate produced from the operation of a pilot plant. This testwork confirmed high lead recoveries in locked

cycle testing of the copper–lead separation process and confirmed precious metal recoveries into the representative copper and lead concentrates. This testwork indicated a clear tendency of the gold values to follow the lead concentrate, giving it a significant gold grade and value. Detailed mineralogical analysis showed that a majority of gold values were occurring as liberated fine-grained gold particles.

The conclusions of testwork conducted both in 2012 and 2017 indicate that the Arctic materials are well-suited to the production of high-quality copper and zinc concentrates using flotation techniques which are industry standard. Copper and zinc recovery data were reported in the range of 88 to 92%, which reflected the high-grade nature of the deposit as well as the coarse-grained nature of these minerals. Grade variations within the deposit will be observed as indicated by the grade variations observed in variability samples, however mill feed variability is expected to be limited and readily manageable with good plant operational practices. Lead concentrates have the potential to be of good quality and can also be impacted by zones of very high talc. Considerable care will be required to ensure maximum talc recovery to remove talc, which has the potential to dilute lead concentrate grades. The lead concentrate is also shown to be rich in precious metals, which has some advantages in terms of marketability of this material.

An overall metallurgical balance for the Arctic Project is summarized in Table 2. The projected metallurgical recoveries are based on an expected average recovery over the life-of-mine (LOM), and results of metallurgical testwork conducted in 2012 and 2017–2019.

Table 2 - Summary of Overall Metal Recovery – Arctic Project

		Concentrate Grade					Metal Recoveries				
Process stream	Mass %	Cu %	Pb %	Zn %	Au g/t	Ag g/t	Cu %	Pb %	Zn %	Au %	Ag %
Process Feed	100.0	2.24	0.54	3.12	0.47	34.69	—	—	—	—	—
Copper Conc	6.65	30.3	0.66	1.6	0.76	138	89.9	8.1	3.4	10.9	26.4
Lead Conc	0.78	6.9	55.0	1.8	37.3	2,806	2.4	79.0	0.4	62.1	63.1
Zinc Conc	4.78	1.3	0.25	59.2	0.53	24.5	2.7	2.2	90.6	5.4	3.4
Process Tailings	87.8	0.13	0.07	0.20	0.12	2.81	4.95	10.7	5.56	21.6	7.11

Ancillary testwork was completed by third party consultants on representative concentrate samples, to provide thickening and filtration data for the various concentrates. Settling and filtration rates were observed to be typical for sulphide concentrates and moisture contents in final filter cakes were observed to be lower than expected.

Metallurgical testwork was completed to provide representative tailings samples for use in detailed solids settling and compaction testwork to provide data for tailings design studies.

A detailed study of water treatment chemistry was undertaken to evaluate and confirm the option of destroying cyanide contained in solutions from the proposed copper–lead separation process. The use of an SO2/air process in a small-scale pilot plant demonstrated removal of 99% of the contained cyanide and supported the concept of maintaining low cyanide concentrations within the proposed tailings pond solutions.

Mineral Resource and Mineral Reserve Estimates

Mineral Resource Estimate

Mineral resource estimates are estimated from a 3D block model based on geostatistical applications using commercial mine planning software (MineSight v11.60-2). The block model has a nominal block size measuring 10 x 10 x 5 m and uses data derived from 152 drill holes in the vicinity of the Arctic deposit. The resource estimate was generated using drill hole sample assay results and the interpretation of a geological model which relates to the spatial distribution of copper, lead, zinc, gold and silver. Interpolation characteristics were defined based on the geology, drill hole spacing, and geostatistical analysis of the data. The effects of potentially anomalous high-grade sample data, composited to two meter intervals, are controlled by limiting the distance of influence during block grade interpolation. The grade models

have been validated using a combination of visual and statistical methods. The resources were classified according to their proximity to the sample data locations and are reported using the 2014 CIM Definition Standards. Model blocks estimated by three or more drill holes spaced at a maximum distance of 100 m are included in the Indicated category. Inferred blocks are within a maximum distance of 150 m from a drill hole.

The estimate of Indicated and Inferred Mineral Resources is constrained within a conceptual pit shell derived using the projected technical and economic parameters in Table 3.

Table 3 - Parameters Used to Generate a Resource-Limiting Pit Shell

Optimization Parameters	
Open Pit Mining Cost	US$3/t
Milling + General and Administrative (G&A) Costs	US$35/t
Pit Slope	43 degrees
Copper Price	US$3.00/lb
Lead Price	US$0.90/lb
Zinc Price	US$1.00/lb
Gold Price	US$1,300/oz
Silver Price	US$18/oz
Metallurgical Recovery: Copper	92%
Lead	77%
Zinc	88%
Gold	63%
Silver	56%

Note: no adjustments for mining recovery or dilution.

The pit shell was generated about copper equivalent (CuEq) grades that incorporate contributions of the five different metals present in the deposit. The formula used to calculate copper equivalent grades is:

CuEq%= (Cu% x 0.92) + (Zn% x 0.290) + (Pb% x 0.231) + (Au g/t x 0.398) + (Ag g/t x 0.005)

The Mineral Resource estimate is listed in Table 4. Mineral Resources are reported inclusive of those Mineral Resources that were converted to Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Table 4 - Mineral Resource Estimate for the Arctic Deposit

		Average Grade:					**Contained metal:**				
Class	**M tonnes**	**Cu %**	**Pb%**	**Zn%**	**Au g/t**	**Ag g/t**	**Cu Mlbs**	**Pb Mlbs**	**Zn Mlbs**	**Au koz**	**Ag Moz**
Indicated	36.0	3.07	0.73	4.23	0.63	47.6	2,441	581	3,356	728	55
Inferred	3.5	1.71	0.60	2.72	0.36	28.7	131	47	210	40	3

Notes:

(1) The Qualified Persons for the estimate are employees of SIM and BDRC. The estimate is reported using the 2014 CIM Definition Standards. The effective date of the Mineral Resource estimate is April 25, 2017. The results of the 2019 drilling supports the current estimate of mineral resources and the inclusion of these nine new drill holes would have no material impact on the estimate of mineral resources for the Arctic Project.

(2) Mineral Resources stated are contained within a conceptual pit shell developed using metal prices of US$3.00/lb Cu, US$0.90/lb Pb, US$1.00/lb Zn, US$1,300/oz Au and US$18/oz Ag and metallurgical recoveries of 92% Cu,

77% Pb, 88% Zn, 63% Au and 56% Ag and operating costs of US$3/t mining and US$35/t process and general and administrative costs. The assumed average pit slope angle is 43º.

(3) The base case cut-off grade is 0.5% copper equivalent: CuEq = (Cu% x 0.92) + (Zn% x 0.290) + (Pb% x 0.231) + (Au g/t x 0.398) + (Ag g/t x 0.005).

(4) The Mineral Resource estimate is reported on a 100% basis without adjustments for metallurgical recoveries. Trilogy holds 50% of Ambler Metals.

(5) The Mineral Resource estimate is reported inclusive of those Mineral Resources that were converted to Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. An inferred mineral resource has a lower level of confidence than that applied to an indicated mineral resource and must not be converted to a mineral reserve.

Mineral Resources have been rounded.

Factors that may affect the Mineral Resource estimates include:

- Metal price and exchange rate assumptions.
- Changes to the assumptions used to generate the CuEq cut-off grade.
- Changes in local interpretations of mineralization geometry and continuity of mineralized zones.
- Changes to geological and mineralization shapes, and geological and grade continuity assumptions.
- Density and domain assignments.
- Changes to geotechnical, mining and metallurgical recovery assumptions.
- Change to the input and design parameter assumptions that pertain to the conceptual pit constraining the estimates.
- Assumptions as to concentrate marketability, payability and penalty terms.
- Assumptions as to the continued ability to access the site, retain mineral and obtain surface rights titles, obtain environment and other regulatory permits, and maintain the social license to operate.
- Assumptions as to future site access.

There are no known factors related to environmental, permitting, legal, title, taxation, socioeconomic, marketing, or political issues which could materially affect the Mineral Resource estimate that are not discussed in the 2020 Arctic Report.

Mineral Reserve Estimates

Mineral Reserves were classified in accordance with the CIM Definition Standards for Mineral Resources and Mineral Reserves (May 10, 2014). Only Mineral Resources that were classified as Measured and Indicated were given economic attributes in the mine design and when demonstrating economic viability. Mineral Reserves for the Arctic deposit incorporate appropriate mining dilution and mining recovery estimations for the open pit mining method.

Table 5 – Optimization Inputs

Parameter	Unit	Value
Metal Prices		
Copper	$/lb	3.00
Lead	$/lb	1.00
Zinc	$/lb	1.10
Gold	$/oz	1,300.00
Silver	$/oz	18.00
Discount Rate	%	8
Slope Angles		
Sector 1 (2L-E)	degrees	26
Sector 2 (2L-W)	degrees	40
Sector 3 (2U)	degrees	42
Sector 4 (3)	degrees	30
Sector 5 (4L)	degrees	38
Sector 6 (4U)	degrees	43
Dilution	%	Estimated in a block-by-block basis
Mine Losses	%	Taken into account by block
Mining Cost		
Base Elevation	m	730
Incremental Mining Cost	$/t	2.78
Uphill	$/t/5m	0.020
Downhill	$/t/5m	0.015
Process Costs		
Operating Cost	$/t milled	15.09
G&A	$/t milled	6.55
Process Sustaining Capital	$/t milled	1.53
Road Toll Cost	$/t milled	4.70
Closure	$/t milled	1.52
Processing Rate	Kt/d	10
Process Recovery		
Copper	%	91.2
Lead	%	80.0
Zinc	%	91.0
Gold	%	58.9
Silver	%	34.9
Treatment & Refining Cost	—	Variable by concentrate type/ metal
Royalties		
NANA Surface Use	%NSR	1.00
NANA[1]	%NP	0.00

Note:

(1) NANA may elect to either (a) exercise a non-transferrable back-in-right to acquire between 16% and 25% (as specified by NANA) of the Arctic Project; or (b) not exercise its back-in-right, and instead receive a net proceeds royalty equal to 15% of the net proceeds realized by Ambler Metals. Upon the direction of Trilogy, the Arctic FS

was evaluated on a 100% basis, of which Trilogy's share is 50%, and does not include the impact on Ambler Metals of the NANA options, either purchasing an interest in the Arctic Project or receiving a royalty payment.

Dilution was applied to the resource model in two steps: planned dilution and contact dilution.

As the mining cost varies with depth individual blocks captured within the final pit design were tagged as either ore or waste by applying the parameters shown in Table 5. Using the partial block percentages within the final pit design the ore tonnage and average grades were calculated.

The Mineral Reserve estimates are shown in Table 6. Only Probable Mineral Reserves have been classified.

Table 6 – Mineral Reserve Statement

	Tonnage	Grades				
Class	t x 1000	Cu (%)	Zn (%)	Pb (%)	Au (g/t)	Ag (g/t)
Proven Mineral Reserves	—	—	—	—	—	—
Probable Mineral Reserves	43,443	2.24	3.12	0.54	0.47	34.7
Proven & Probable Mineral Reserves	43,443	2.24	3.12	0.54	0.47	34.7

Notes:

(1) The Qualified Person for the Mineral Reserves estimates is an employee of Wood. Mineral Reserves have an effective date of January 31, 2020. Mineral Reserves are reported on a 100% basis. Trilogy has a 50% interest in Ambler Metals.

(2) Mineral Reserves estimated assuming open pit mining methods and include a combination of planned and contact dilution. Total dilution is expected to be between 30% and 35%. Pit slopes vary by sector and range from 26° to 43°. Cut-off grade is variable and ranges from US$32.83/t NSR to US$33.96/t NSR. Commodity prices used were US$3.00/lb Cu, US$1.00/lb Pb, US$1.10/lb Zn, US$1,300/oz Au and US$18/oz Ag. Fixed process recoveries were assumed to be 91.2% Cu, 80.0% Pb, 91.0% Zn, 58.9% Au and 80.0% Ag. Mining costs were estimated at US$2.78/t incremented at US$0.02/t/5 m and US$0.015/t/5 m below and above 730 m elevation respectively. Processing costs were estimated at US$29.39/t, which includes a process operating cost of US$15.09/t, general and administrative cost of US$6.55/t, sustaining capital cost of US$1.53/t. Closure cost of US$1.52/t, and a road toll cost of US$4.70/t. Treatment costs include US$80/t Cu concentrate, US$180/t Pb concentrate and US$200/t Zn concentrate. Refining costs were estimated at US$0.08/lb Cu, US$10/oz Au, US$0.80/oz Ag. Transport costs were included as US$270.38/t concentrate. There is a fixed royalty percentage of 1%.

Risks that may affect the Mineral Reserve estimates include: commodity price and exchange rate assumptions; changes to the assumptions used to generate the NSR cut-off grades that constrains the estimate; changes in local interpretations of mineralization geometry and continuity of mineralized zones; changes to geological and mineralization shapes, and geological and grade continuity assumptions; density and domain assignments; changes to geotechnical and hydrological assumptions, changes to mining and metallurgical recovery assumptions; changes to the input and design parameter assumptions that pertain to the conceptual pit constraining the estimates; assumptions as to concentrate marketability, payability and penalty terms; assumptions as to the continued ability to access the site, retain mineral and obtain surface rights titles, obtain environment and other regulatory permits, and maintain the social license to operate.

There is a risk to the estimate if the Ambler Mining District Industrial Access Project road is not constructed as envisaged, or in the time frame envisaged, or that the toll charges assumed in the 2020 Arctic Report are not the final charges levied. Other risks include: proper management of groundwater will be important to maintaining pit slope stability; the east wall is highly sensitive to several geotechnical parameters, and talc horizons that may not have been included in the geological model might also affect its stability; the presence of talc layers in the rock could affect recoveries in the process plant and therefore could be a risk to the Mineral Reserves.

Mining Operations

The Arctic Project is designed as a conventional truck–shovel operation assuming 144 t trucks, and 15 m^3 shovels. The pit design includes three nested phases to balance stripping requirements while satisfying the concentrator requirements.

The design parameters include a ramp width of 28.5 m, maximum road grades of 10%, bench height of 5 m, targeted mining width of between 70 and 100 m, berm interval variable by sector, variable slope angles by sector and a minimum mining width of 30 m.

The smoothed final pit design contains approximately 43.4 Mt of ore and 298.3 Mt of waste for a resulting stripping ratio of 6.9:1. Within the 43.4 Mt of ore, the average grades are forecast to be 2.24% Cu, 3.12% Zn, 0.54% Pb, 0.47 g/t Au and 34.7 g/t Ag.

The scheduling constraints set the maximum mining capacity at 36 Mt/a and the maximum process capacity at 10 kt/d. The production schedule results in a LOM of 12 years. The mine will require three years of pre-production before the start of operations in the processing plant.

Processing and Recovery Operations

The 10,000 t/d process plant design is conventional for the industry and will operate two 12-hour shifts per day, 365 d/a with an overall plant availability of 92%. The process plant will produce three concentrates: 1) copper concentrate, 2) zinc concentrate, and 3) lead concentrate. Gold and silver are expected to be payable at a smelter; silver is expected to be payable in the copper and lead concentrates, with gold expected to be payable in the lead concentrate only.

There are several deleterious elements reporting to the concentrates at levels which would incur penalties; however, there are no special processing provisions required to make a readily saleable concentrate.

The mill feed will be hauled from the open pit to a primary crushing facility where the material will be crushed by a jaw crusher to a particle size of 80% passing 80 mm.

The crushed material will be ground by two stages of grinding, consisting of one SAG mill and one ball mill in closed circuit with hydrocyclones (SAB circuit). The hydrocyclone overflow with a grind size of approximately 80% passing 70 µm will first undergo talc pre-flotation, and then be processed by conventional bulk flotation (to recover copper, lead, and associated gold and silver), followed by zinc flotation. The bulk rougher concentrate will be cleaned and followed by copper and lead separation to produce a lead concentrate and a copper concentrate. The final tailings from the zinc flotation circuit will be pumped to a TMF. Copper, lead, and zinc concentrates will be thickened and pressure-filtered before being transported by truck to a port and shipped to smelters.

Based on the mine plan developed for the Arctic FS and metallurgical testwork results, the LOM average metal recoveries and concentrate grades will be:

- Copper concentrate:
    - Recovery: 89.9% copper; 10.9% gold; 26.4% silver
    - Copper grade: 30.3%
- Lead concentrate:
    - Recovery: 79.0% lead; 62.1% gold; 63.1% silver
    - Lead grade: 55.0%

- Zinc concentrate:
    - Recovery: 90.6% zinc
    - Zinc grade: 59.2%

The average annual dry concentrate production is estimated as:

- Copper concentrate: 241,024 t/a
- Lead concentrate: 28,234 t/a
- Zinc concentrate 173,093 t/a

The recovery plan includes provision for reagents, and water and power requirements

Infrastructure, Permitting and Compliance Activities

Infrastructure

The Arctic Project site is a remote, greenfields site that is remote from existing infrastructure. Infrastructure that will be required for the mining and processing operations will include:

- Open pit mine
- Stockpiles and WRF
- Truck workshop, truck wash, mine offices, mine dry facility and warehouse
- Administration building
- Mill dry facility
- Plant workshop and warehouse
- Primary crushing building
- Fine ore stockpile building
- Process plant and laboratory
- Concentrate loadout building
- Reagent storage and handling building
- Raw water supply building
- Tailings management facility
- Surface water diversion and collection channels, culverts, and containment structures
- WRCP
- WTPs.

Access

The Arctic Project site will be accessed through a combination of State of Alaska-owned highways (existing), an Alaska Industrial Development and Export Authority-owned private road (proposed) and Trilogy-owned access roads (proposed). The AMDIAP road is proposed by AIDEA to connect the Ambler mining district to the Dalton Highway. The AMDIAP road expected to be permitted as a private road with restricted access for industrial use. To connect the Arctic Project site and the existing exploration camp to the proposed AMDIAP road, a 30.7 km access road (the Arctic access road) will need to be built.

The State of Alaska-owned, public Dahl Creek airport will require upgrades to support the planned regular transportation of crews to and from Fairbanks. The cost of these upgrades has been included in the capital cost estimate.

Power

Power generation will be by five diesel generators, producing a supply voltage of 13.8 kV. The total connected load will be 27.1 MW with a normal running load of 16.0 MW. Diesel will be supplied via existing fuel supply networks in the region and shipped along the AMDIAP road.

Accommodation

The Arctic Project will require three different self-contained camps, equipped with their own power and heat generation capabilities, water treatment plant, sewage treatment plant, and garbage incinerator. The existing 90-person exploration camp will be used to start the construction of the Arctic access road. A 185-person construction camp will be constructed at the intersection of the AMDIAP road and Arctic access road and will be decommissioned once construction is complete. The permanent camp will be constructed along the Arctic access road, closer to the planned processing facility. The 400-person permanent camp will be constructed ahead of operations to support the peak accommodation requirements during construction.

Waste Rock Facility

A large WRF will be developed north of the Arctic pit in the upper part of the Subarctic Creek valley. The WRF is be designed to store waste rock as well as provide a buttress for the tailings containment in the adjacent footprint. The total volume of waste rock is expected to be 146 Mm^3 (298 Mt); however, there is potential for expanded volume in the waste if placement density is <2.0 t/m^3. The WRF will have a final height of 280 m to an elevation of 930 masl and is planned to be constructed in lifts of either 5, 10 or 20 m height with catch benches every 20 m to achieve an overall slope angle of 2.7H:1V.

Most of the waste rock is anticipated to be potentially acid-generating and there will be no separation of waste based on acid generation potential. Rather, seepage from the WRF will be collected and treated.

Overburden Stockpiles

There will also be two small overburden stockpiles to store the stripped topsoil and overburden from the TMF footprint. The topsoil stockpile will be placed between the haul roads with capacity to store up to 325,000 m^3 of material while the overburden stockpile will be located below the lower haul road between the pit and the mill site with capacity to store up to 2,200,000 m^3.

Tailings Management Facility

The TMF will be located at the headwaters of Subarctic Creek, in the upper-most portion of the creek valley. The 58.6 ha footprint of the TMF will be fully lined with an impermeable liner. Tailings containment will be provided by the natural topography on the valley sides and an engineered cross valley dam that will be buttressed by the WRF constructed immediately downstream of the TMF. A starter dam will be constructed to elevation 830 m. Three subsequent raises will

bring the final dam crest elevation to 890 m, which is 40 m lower than the final elevation of the WRF. The TMF is designed to store approximately 34.5 Mm^3 (37.8 Mt) of tailings plus 4.5 Mm^3 of water produced over the 12-year mine life and still provide capacity for the probable maximum flood with 2.5 m of freeboard.

Water Management

The proposed mine development is located in the valley of Subarctic Creek, a tributary to the Shungnak River. A surface water management system will be constructed to segregate contact and non-contact water. Non-contact water will be diverted around mine infrastructure to Subarctic Creek. A groundwater seepage monitoring and collection system will be located down gradient of the WRF and seepage collection pond. Contact water will be conveyed to treatment facilities prior to discharge to the receiving environment.

A collection pond (WRCP) will be located directly below the toe of the WRF and will be used to collect seepage from the WRF, runoff from the WRF and haul road corridor area, and water pumped from the open pit.

The Arctic Project water and load balance indicates that during operations excess water from the WRCP will need to be treated prior to discharge to the receiving environment. In the last year of operations and during closure, water from the dewatering of the TMF will also need to be treated prior to discharge to the receiving environment.

Water Treatment Plants

A HDS lime-based neutralization and precipitation process will be used to treat effluent from the WRCP. The HDS WTP will operate during the open water season from May through October, during operations through to post-closure. Treated effluent will be discharged via a 12 km pipeline to the Shungnak River. Long-term water treatment at the HDS WTP will be required in perpetuity.

A Selenium water treatment plant (SeWTP) will treat excess water in the TMF that is predicted to have elevated selenium concentrations. The SeWTP is anticipated to commence treatment during operation in mine year 12. A portion of the treated effluent from the HDS WTP will be combined with excess water from the TMF, and treated for selenium such that the selenium water quality standard is met after a mixing zone in the Shungnak River. The SeWTP will cease once the TMF is dewatered (by approximately year 15 of closure). Studies are being conducted to evaluate alternative water management strategies and treatment methods that will not require a mixing zone in the Shugnak River.

Market Studies

Metal pricing was based on combination of two year trailing actual metal prices, market research and bank analyst forward price projections, prepared in July 2020 by Jim Vice of StoneHouse Consulting Inc., who was retained by Trilogy.

The long-term consensus metal price assumptions selected for the Arctic FS were:

- Copper: $3.00/lb
- Zinc: $1.10/lb
- Lead: $1.00/lb
- Gold: $1,300/oz
- Silver: $18.00/oz

Smelter terms were applied for the delivery of copper, zinc and lead concentrate. It was assumed that delivery of all concentrates would be to an East Asian smelter at currently available freight rates. Total transport costs for the concentrate are estimated at $270.98/dmt.

Environmental, Permitting, Social and Closure Considerations

Environmental Considerations

The Arctic Project area includes the Ambler lowlands and Subarctic Creek within the Shungnak River drainage. A moderate amount of baseline environmental data collection has occurred in the area including surface and groundwater quality sampling, surface hydrology monitoring, wetlands mapping, aquatic life surveys, avian and mammal habitat surveys, cultural resource surveys, hydrogeology studies, meteorological monitoring, and ML/ARD studies.

Permitting Considerations

Trilogy undertakes its current mineral exploration activities at the Arctic deposit under State of Alaska and Northwest Arctic Borough ("NWAB") permits. Trilogy is presently operating under a State of Alaska Miscellaneous Land Use Permit that expires at the end of 2022, and a NWAB Permit that expires also expires at the end of 2022. Both permits are renewable.

Mine development permitting will be largely driven by the underlying land ownership; regulatory authorities vary depending on land ownership. The Arctic Project area includes patented mining claims (private land under separate ownership by Trilogy), State of Alaska land, and NANA land (private land).

Because the Arctic Project is situated to a large extent on State land, it will be necessary to obtain a Plan of Operation Approval (which includes the Reclamation Plan and Closure Cost Estimate) from the Alaska Department of Natural Resources ("ADNR"). The Arctic Project will also require certificates to construct and then operate a dam(s) (tailings and water storage) from the ADNR (Dam Safety Unit) as well as water use and discharge authorizations, an upland mining lease and a mill site lease, as well as several minor permits including those that authorize access to construction material sites from ADNR.

The Alaska Department of Environmental Conservation ("ADEC") would authorize waste management under an integrated waste management permit, air emissions during construction and then operations under an air permit, and an Alaska Pollutant Discharge Elimination System permit for any wastewater discharges to surface waters, and a Multi-Sector General Permit for stormwater discharges. The ADEC would also be required to review the US Army Corps of Engineers ("USACE") Section 404 permit to certify that it complies with Section 401 of the Clean Water Act ("CWA").

The Alaska Department of Fish and Game would have to authorize any culverts or bridges that are required to cross fish-bearing streams or other impacts to fish-bearing streams that result in the altering or affecting fish habitat.

U.S. Army Corps of Engineers ("USACE") would require a CWA Section 404 permit for dredging and filling activities in Waters of the United States including jurisdictional wetlands. The USACE Section 404 permitting action would require the USACE to comply with the Natural Environmental Policy Act ("NEPA") and, for a project of this magnitude, the development of an Environmental Impact Statement is anticipated. The USACE would likely be the lead federal agency for the NEPA process. As part of the Section 404 permitting process, the Arctic Project will have to meet USACE wetlands guidelines to avoid, minimize and mitigate impacts to waters of the US including wetlands.

The Arctic Project will also have to obtain approval for a Master Plan from the NWAB. In addition, actions will have to be taken to change the borough zoning for the Arctic Project area from Subsistence Conservation and General Conservation to Resource Development and transportation.

The overall timeline required for permitting would be largely driven by the time required for the NEPA process, which is triggered by the submission of the Section 404 permit application to the USACE. The timeline includes the development and publication of a draft and final EIS and ends with a Record of Decision, and Section 404-permit issuance. In Alaska, the EIS and other State and Federal permitting processes are generally coordinated so that permitting and environmental review occurs in parallel. The NEPA process could require between two to three years to complete, and could potentially take longer.

Social and Community

The Arctic Project is located approximately 40 km northeast of the villages of Shungnak and Kobuk, and 64 km east-northeast of the native village of Ambler. The population in these villages range from 151 in Kobuk (2010 Census) to 262 in Shungnak (2010 Census). Residents live a largely subsistence lifestyle with incomes supplemented by trapping, guiding, local development projects, government aid and other work in, and outside of, the villages.

The Arctic Project has the potential to significantly improve work opportunities for village residents. Trilogy is working directly with the villages to employ residents in the ongoing exploration program as mechanics, geotechnicians, core cutters, administrative staff, camp-services staff, heavy equipment operators, drill helpers, and environmental technicians. Trilogy and NANA have established a Workforce Development Committee to assist with developing a local workforce. In addition, Trilogy has existing contracts with native-affiliated companies (such as NANA Management Services and KUNA Engineering Inc.) that are providing camp catering and environmental services for the Arctic Project, respectively.

Local community concerns will also be formally recognized during the development of the Arctic Project EIS. Early in the EIS process, the lead federal permitting agency will hold scoping meetings in rural villages to hear and record the concerns of the local communities so that the more significant of these concerns can be addressed during the development of the EIS. In addition, the lead federal agency would have government-to-government consultations with the Tribal Councils in each of the villages, as part of the EIS process, to discuss the Arctic Project and hear Council concerns.

Closure Planning

Mine reclamation and closure are largely driven by State regulations that specify that a mine must be reclaimed concurrent with mining operations to the greatest extent possible and then closed in a way that leaves the site stable in terms of erosion and manages degradation of water quality from acid rock drainage or metal leaching on the site. A detailed Reclamation Plan and Closure Cost Estimate will be submitted to the State agencies for review and approval in the future, during the formal mine permitting process.

Owing to the fact that the Arctic Project is likely to have facilities on a combination of private (patented mining claims and native land) and State land, it is likely that the Reclamation Plan will be submitted and approved as part of the plan of operations, which is approved by the ADNR. However, since the reclamation plan must meet regulations of both ADNR and the ADEC, both agencies will review and approve the Reclamation Plan and Closure Cost Estimate. In addition, private land owners must formally concur with the portion of the Reclamation Plan for their lands so that it is compatible with their intended post-mining land use.

The estimate cost of closure is based on unit rates used by SRK on other closure projects in cold environments. The indirect costs were included as percentages of the estimated direct costs based on guidelines for Alaska (DOWL 2015). Long-term water treatment and maintenance of certain water management facilities were calculated separately, and a NPV is provided for the first 100 years, at a discount rate of 4.3%.

Reclamation and closure costs were estimated to be $158.2 million, in discounted 2020 US dollars. Annual (undiscounted) costs associated with long-term closure activities and operation of the HDS WTP are estimated to be $5.1 million.

Capital and Operating Costs

Capital Costs

The capital cost estimate has an estimated accuracy of ±15% and uses quarter 4, 2019 US dollars as the base currency. The total estimated initial capital cost for the design, construction, installation, and commissioning of the Arctic Project is estimated to be $905.6 million. A summary of the estimated capital cost is shown in Table 7.

Table 7 – Initial Capital Costs

Cost Type	Description	US$M
Direct	Mine	280.1
	Crushing	28.3
	Process	116.6
	Tailings	70.0
	On-Site Infrastructure	109.3
	Off-Site Infrastructure	53.7
	Direct Subtotal	**658.0**
Indirect	Indirects	130.7
	Contingency	94.6
	Owners Costs	23.4
	Indirect Total	**248.7**
Project Total		**906.7**

The total sustaining capital cost estimate is $113.8 million for the 12-year LOM which includes equipment, tailings and other items. Closure costs were estimated to be $205.4 million. These costs are summarized in Table 8.

Table 8 – Sustaining Capital and Closure Costs

Cost Type	Description	US$M
Direct	Mine	15.1
	Process	1.3
	Tailings	25.1
	On-Site Infrastructure	50.4
Indirect	Indirects	13.8
	Contingency	8.0
Total Sustaining Capital		**113.8**
Closure Costs		**205.4**

Operating Costs

The operating cost estimates use US dollars as the base currency and have an accuracy of ±15%. An average operating cost was estimated for the Arctic Project based on the proposed mining schedule. These costs included mining, processing, G&A, surface services, and road toll costs. The average LOM operating cost for the Arctic Project is estimated to be $50.65/ t milled. The breakdown of costs in Table 9 is estimated based on the LOM average mill feed rate.

All pre-production costs have been included in capital costs.

Table 9 – Operating Costs

Description	LOM Average Unit Operating Cost ($/ t milled)	Percentage of Total Annual Operating Costs
Mining*	18.48	36%
Processing	18.31	36%
G&A	5.15	10%
Surface Operations	0.68	1%
Road Toll	8.04	16%
Total Operating Cost	**50.65**	**100%**

* Excludes pre-production costs

Economic Analysis

The results of this economic analysis represent forward looking information. The results depend on the inputs that are subject to several known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those presented in this section. Information that is forward looking includes mineral reserve estimates, commodity prices, the proposed mine production plan, construction schedule, projected recovery rates, proposed capital and operating cost estimates, closure cost estimates, toll road cost estimates, and assumptions on geotechnical, environmental, permitting, royalties, and hydrogeological information.

An economic analysis was undertaken on a 100% basis to determine the IRR, net present value and payback on initial investment of the Arctic Project. Trilogy holds 50% of Ambler Metals. The Arctic Project consists of a three-year pre-production construction period, followed by 12 years of production.

Ausenco developed a pre-tax cash flow model for the Arctic Project and the NPV and IRR were calculated at the beginning of the construction period in Year -3.

The pre-tax financial model incorporated the production schedule and smelter term assumptions to produce annual recovered payable metal, or gross revenue, in each concentrate stream by year. Off-site costs, including the applicable refining and treatment costs, penalties, concentrate transportation charges, marketing and representation fees, and royalties were then deducted from gross revenue to determine the NSR. The operating cash flow was then produced by deducting annual mining, processing, G&A, surface services, and road toll charges from the NSR. Initial and sustaining capital was deducted from the operating cash flow in the years they occur, to determine the net cash flow before taxes. Initial capital cost includes all estimated expenditures in the construction period, from Year -3 to Year -1 inclusive. First production occurs at the beginning of Year 1. Sustaining capital expenditure includes all capital expenditures purchased after first production, including mine closure and rehabilitation. The model includes an allocation of a 1% NSR attributable to NANA.

The pre-tax financial results are:

- 30.8% IRR
- $1,550.9 million NPV at an 8% discount rate
- 2.4 year payback period, on the initial capital costs of $905.6 million
- Undiscounted pre-tax cashflow of $3,768.0 million over LOM

The following tax regimes were incorporated in the post-tax analysis: US Federal Income Tax, Alaska State Income Tax, and Alaska Mining License Tax. Taxes are calculated based on currently enacted United States and State of Alaska tax laws and regulations, including the US Federal enactment of the Tax Cuts & Jobs Act on December 22, 2017. At the base case metal prices used for this study, the total estimated taxes payable on the Arctic Project profits are $924.7 million over the 12-year mine life.

The post-tax financial results are:

- 27.1% IRR
- $1,134.7 million NPV at an 8% discount rate
- 2.6 year payback period, on the initial capital costs of $905.6 million
- Undiscounted post-tax cashflow of $ 2,843.4 million over LOM

Sensitivity Analysis

Ausenco investigated the sensitivity of the Arctic Project's pre-tax NPV, and IRR to several project variables, including metal prices (copper, zinc, lead, gold, silver), capital costs, and operating costs (onsite and offsite). The metal grade is not presented in these sensitivity graphs because the impacts of changes in the metal grade mirror the impact of changes in metal price.

The Arctic Project's pre-tax NPV at an 8% discount rate is most sensitive to changes in copper price, followed by zinc price, off-site operating costs, on-site operating costs, capital costs, silver price, gold price, and lead price.

The Arctic Project's pre-tax IRR is most sensitive to changes in copper price and capital cost, followed by zinc price and off-site operating costs, and in then decreasing order, on-site operating costs, silver price, gold price, and lead price

Exploration, Development, and Production

Constraints and Interfaces

The Arctic Project will be an integrated development with several consultants contributing to the overall design process. Specialist contractors will most likely be engaged for specific packages, such as the Arctic access road, and the construction camps, generally on a "design and construct" basis.

It is essential that these parties work together to ensure data being used is both current and meaningful. Data transfer between parties shall be strictly controlled and in accordance with Document Control protocols.

The early design interfaces for the Arctic Project will include at least:

- Mine development
- Waste Rock placement and Tails Dam
- Project water management and treatment
- Arctic Access Road design and construction, in particular the pioneer road necessary to allow earliest possible access to the Mine pre-assembly construction site
- Pioneer, Construction and Permanent Camps.

The Interface Management procedures will be developed to ensure services at the battery limits are clearly defined and understood by all parties affected.

Key Project Milestones

Key project milestones will be developed once the project is committed to construction and the required permits are in hand.

The Mine requires nominally two years of pre-strip operations, tailings pond starter dam development and water accumulation before actual production mining operations can commence.

For that pre-strip work to start, the Arctic access road from the AMDIAP intersection to the mine site will have to be constructed to at least a pioneer road condition that will allow the mine fleet and the support facilities to be delivered, built and made operational.

Tailings pond construction must be to a height to allow natural collection of water in quantities that will allow plant operations to commence.

Proven Technology

The Arctic Project will utilize proven technology and equipment that can be built, operated and maintained under adverse weather conditions

The Design Criteria, Technical Specifications and Data sheets shall reflect the location, the environmental and initial logistics constraints that may affect the procurement and construction effort.

Engineering, Procurement and Construction Management Approach

Two engineering, procurement and construction management ("EPCM") strategies have been identified that are structured to account for the abnormally long pre-strip mining operation. The first option is the basis for the capital and operating cost estimate.

Early Engineering Only with 2-Stage Procurement

There is a need to establish the mine facilities and assemble the Mine Fleet in time to allow the pre-strip operation to start some two years before the Process Plant receives its first ore. This means that there will be a significant amount of detailed engineering requiring completion well in advance of the time required for conventional engineering, procurement and construction of just the process plant and supporting infrastructure. This has been assessed as requiring detailed engineering to start some four years before the process plant starts production.

In particular, the pioneer access road design and contracts and civil design for the Mine Support facilities will be required early in the schedule. By default, the rest of the civil design would need to attach to that early works for simple plant layout and construction coordination purposes. For that to occur the plant layout will be required to be frozen a lot earlier than normal. That in turn is dependent on sizing and selection of the major process equipment items and the receipt of certified vendor data.

Effectively, the detailed design phase will need to follow the conventional approach and run its course but started at a time that meets the early works schedule requirements. Everything other than the mine support facilities will be designed some two years in advance of when it is needed.

With the early equipment order placement, the supply phase could become inordinately long, extending over three years in most cases, when in fact the equipment is not likely to be needed until the last eighteen months prior to plant start-up.

An unorthodox but proven option to this extended design, supply and construction schedule is to have the EPCM Contractor buy the major equipment in two steps:

- Step 1: Buy only the vendor certified engineering data to allow detailed engineering to continue to completion but hold the manufacturing functions until later in the overall schedule, effectively a delay of around twelve to fifteen months.

- Step 2: Based on agreed vendor manufacturing durations, apply a "late" release of the equipment for manufacture with deliveries effectively becoming a "Just-in Time" logistics operation.

This strategy provides the following advantages:

- Engineering can start and continue to completion using critical certified vendor data without the need for an extended "standby" involvement.

- Procurement functions can work in parallel with the engineering group with no disconnect between the two disciplines.

- The Procurement team can generally disband early in the schedule with just key personnel retained to provide continuity of support.

- The expediting team can mobilize later in the schedule to drive manufacture and delivery in a concerted campaign.

- Equipment deliveries can be orchestrated to suit the conditions at the time with everything consolidated into a transit compound for coordinated shipping to site.

- Reduced cashflow demands.

The disadvantages with this approach are:

- The vendors need to be clearly briefed as to what the system means to their manufacturing schedule.

- A payments formula needs to be in place to account for a delayed delivery strategy.

- Some vendors have difficulty in determining just what their actual engineering costs are.

Early EPCM Leading to Plant Care and Maintenance

Under this approach, the EPCM would work to conventional design and construction schedule, starting to suit the mine access requirements but following on to completion without interruption. That would bring the total process plant and supporting infrastructure to a mechanical completion condition nominally twelve to fifteen months before it is able to start work.

The plant could not be commissioned through lack of ore and would have to be placed into care and maintenance mode until ore became available. This has an inherent advantage in that if the pre-strip operation was completed earlier than scheduled, and sufficient water is accumulated, the plant operations would be able to take advantage of the fact the plant was already mechanically complete. The care and maintenance requirements in that environment for that duration will require close assessment.

Interpretations and Conclusions

The Arctic deposit will be mined at an annual rate of 36 Mt/a, with an overall stripping ratio of 6.9:1. Ore will be processed by conventional methods to annually produce 241,024 tonnes of copper, 28,234 tonnes of lead, and 173,093 tonnes of

zinc, all in concentrates for provision to third party refiners. Waste and tailings materials will be stored in surface facilities, which will be closed and reclaimed at the end of the mine; contact water will be treated and discharged to the environment throughout the life of mine. Precious metals attendant with the concentrates will be largely payable. While there are expected to be several deleterious elements in the concentrates at levels that may incur penalties, there are no special processing requirements.

Under the assumptions presented in the 2020 Arctic Report, the Arctic Project shows positive economics.

The financial analysis excludes consideration of the NANA Agreement, whereby NANA has the right, following a construction decision, to elect to purchase a 16% to 25% direct interest in the Arctic Project or, alternatively, to receive a 15% Net Proceeds Royalty.

The financial analysis excludes consideration of the new joint venture formed between South32 and Trilogy.

The cost assumptions for the AMDIAP road are estimates provided by Trilogy. There is a risk to the capital and operating cost estimates, the financial analysis, and the Mineral Reserves if the toll road is not built in the time frame required for the Arctic Project, or if the toll charges are significantly different from what was assumed.

In terms of project execution, the mine requires nominally two years of pre-strip operations, tailings pond starter dam development and water accumulation before actual production mining operations can commence.

For that pre-strip work to start, the Arctic access road from the AMDIAP intersection to the mine site will have to be constructed to at least a pioneer road condition that will allow the mine fleet and the support facilities to be delivered, built and made operational.

Recommendations

A single-phase work program is recommended, which will include: additional drilling program to upgrade a portion of the indicated resource to measured resource; drill and blast study; geotechnical investigations and studies; further geohazards assessment; site specific seismic hazard assessment; updating of hydrogeological models and groundwater management plans; optimization of the plant and related service facilities and evaluation of the power supply; examination of water management, water treatment, WRF and TMF designs; baseline studies and environmental permitting activities; and additional metallurgical testwork. The budget for this work is estimated at about $7.0 million.

Bornite Project, Ambler District, Alaska

Bornite Project

Except as otherwise stated, the scientific and technical information relating to the Bornite Project contained in this Form 10-K is derived from the technical report entitled “NI 43-101 Technical Report on the Bornite Project, Northwest Alaska, USA” dated February 11, 2022, with an effective date of December 31, 2021, prepared by SIM Geological Inc., Bruce M. Davis and International Metallurgical & Environmental Inc. (the “2021 Bornite Report”). The information regarding the Bornite Project is based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the 2021 Bornite Report which has been filed with certain Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

Bornite Project - Property Description and Location

The property is located in the Ambler Mining District of the southern Brooks Range in the Northwest Artic Borough (“NWAB”) of Alaska. The property is located in Ambler River A-2 quadrangle, Kateel River Meridian T 19N, R 9E, sections 4, 5, 8 and 9. The Bornite Project is located 248 km east of the town of Kotzebue, 19 km north of the village of Kobuk, 275 km west of the Dalton Highway (an all-weather state maintained public road) at geographic coordinates N67.07°

latitude and W156.94° longitude (Universal Transverse Mercator North American Datum 83, Zone 4W coordinates 7440449N, 589811E).

At the time of the formation of Ambler Metals, Trilogy transferred its Alaskan assets, including the Bornite Project, to the newly formed joint venture. The mineral resource estimates with respect to the Bornite Project are reported on a 100% basis, of which Trilogy's share is 50%.

Bornite Project - Accessibility, Climate, Local Resources, Infrastructure, and Physiography

Primary access to the Bornite Project is by air, using both fixed wing aircraft and helicopters. There are four well maintained, approximately 1,500 m-long gravel airstrips located near the property, capable of accommodating charter fixed wing aircraft. These airstrips are located 40 km west at Ambler, 23 km southwest at Shungnak, 19 km south at Kobuk, and 15 km south at Dahl Creek. There is daily commercial air service from Kotzebue to the village of Kobuk, the closest community to the property. During the summer months, the Dahl Creek airstrip is suitable for larger aircraft, such as C-130 and DC-6. There is also a 700 m airstrip located at the Bornite Camp. The airstrip at Bornite is suited to smaller aircraft, which support the Bornite Camp with personnel and supplies.

There is no direct water access to the property. During spring runoff, river access is possible by barge from Kotzebue Sound to Ambler, Shungnak, and Kobuk via the Kobuk River.

A two-lane, two-wheel drive gravel road links the Bornite Project's main camp to the 1,525 m Dahl Creek airstrip and village of Kobuk.

The climate in the region is typical of a sub-arctic environment. Exploration is generally conducted from late May until late September. Weather conditions on the Bornite Project can vary significantly from year to year and can change suddenly. During the summer exploration season, average maximum temperatures range from 10°C to 20°C, while average lows range from -2°C to 7°C. By early October, unpredictable weather limits safe helicopter travel to the property. During winter months, the property can be accessed by snow machine, track vehicle, or fixed-wing aircraft. Winter temperatures are routinely below -25°C and can exceed -50°C. Annual precipitation in the region averages 395 mm with the most rainfall occurring from June through September, and the most snowfall occurring from November through January.

Drilling and mapping programs are seasonal and have been supported out of the main Bornite Camp. The main Bornite Camp facilities are located on Ruby Creek on the northern edge of the Cosmos Hills. The camp provides office space and accommodations for the geologists, drillers, pilots, and support staff. There were four two-person cabins installed by NANA prior to our tenure. The 85-person capacity Bornite Camp consists of 35 structures most of which are metal-framed, insulated tents that house multi-occupancy sleeping accommodations, kitchen facilities, dining facilities, medical services, showers, washrooms, laundry, administrative offices, and a recreation tent. Early 1960s-era legacy structures constructed by Kennecott to support Bornite Shaft sinking are used for equipment maintenance, storage, and sleeping cabins. Core is logged in two, metal-clad buildings: one from the early 1970s and one 30 m x 9 m structure that was built in 2011. Electricity is generated at site by one 275 kW primary and one 300 kW backup diesel-powered generator.

Potable water is sourced from a permitted well. Solid waste disposal is accomplished by a combination of diesel-fired incineration and permitted landfill placement. The primary camp's domestic wastewater is treated in a packaged bioreactor-style treatment plant before it is discharged. Wastewater from a small portion of the camp is treated in a conventional septic system.

The Bornite Project is located on Ruby Creek on the northern edge of the Cosmos Hills. The Cosmos Hills are part of the southern flank of the Brooks Range in Northwest Alaska. Topography in the area is moderately rugged. Maximum relief in the Cosmos Hills is approximately 1,000 masl with an average of 600 masl. Talus covers the upper portions of the hills; glacial and fluvial sediments occupy valleys. The Kobuk Valley is located at the transition between boreal forest and Arctic tundra. Spruce, birch, and poplar are found in portions of the valley, with a ground cover of lichens (reindeer moss). Willow and alder thickets and isolated cottonwoods follow drainages, and alpine tundra is found at higher elevations.

Tussock tundra and low, heath-type vegetation covers most of the valley floor. Patches of permafrost exist on the property. Wildlife in the property area is typical of Arctic and Subarctic fauna. Larger animals include caribou, moose, Dall sheep, bears (grizzly and black), wolves, wolverines, coyotes, and foxes. Fish species include salmon, sheefish, arctic char, and arctic grayling. The Kobuk River, which briefly enters the Upper Kobuk Mineral Projects on its southwest corner, is a significant salmon spawning river. The caribou on the property belong to the Western Arctic herd that migrates twice a year – south in August, from their summer range north of the Brooks Range, and north in March from their winter range along the Buckland River.

Bornite Project - History

Kennecott and Bear Creek Mining Tenure

Regional exploration began in the early 1900s when gold prospectors noted copper occurrences in the hills north of Kobuk, Alaska. In 1947, local prospector Rhinehart "Rhiny" Berg along with various partners traversing in the area located outcropping mineralization along Ruby Creek (Bornite) on the north side of the Cosmos Hills. They subsequently staked claims over the Ruby Creek showings and constructed an airstrip for access. In 1957, Bear Creek Mining Company ("BCMC"), Kennecott's exploration subsidiary, optioned the property from Berg. Exploration drilling in 1961 and 1962 culminated in the discovery of the "No.1 Ore Body" where drill hole RC-34 cut 20 m of 24% Cu (the "No.1 Ore Body" is a historical term used by BCMC that does not connote economic viability in the present context; it is convenient to continue to use the term to describe exploration work and historical mineral resource estimation in a specific area that was previously referred to as the Ruby Creek zone and is now referred to simply as the Ruby Zone). The discovery of the "No.1 Ore Body" led to the development of an exploration shaft in 1965 through 1966. The shaft, which reached a depth of 328 m, encountered a significant watercourse and was flooded near completion depth. The shaft was subsequently dewatered and an exploration drift was developed to provide access for sampling and mapping, and to accommodate underground drilling to further delineate mineralization. A total of 59 underground holes were drilled before the shaft was allowed to re-flood. The discovery of the Arctic Project in 1965 prompted a hiatus in exploration at Bornite, and only limited drilling occurred up until 1976.

In the late 1990s, Kennecott resumed its evaluation of the Bornite deposit and the mineralization in the Cosmos Hills with an intensive soil, stream, and rock chip geochemical sampling program using a 32-element ICP analyses. Grid soil sampling yielded 765 samples. Ridge and spur sampling resulted in an additional 850 soil samples in the following year. Skeletonized core samples (85 samples) from key historical drill holes were also analyzed using 32 element ICP analytical methods. Geochemical sampling identified multiple areas of elevated copper and zinc in the Bornite region.

Kennecott completed numerous geophysical surveys as an integral part of exploration throughout its tenure on the property. Various reports, notes, figures, and data files stored in Kennecott's Salt Lake City exploration office indicated that geophysical work included, but was not limited to, the following:

- Airborne magnetic and EM surveys (fixed-wing INPUT) (1950s)
- Gravity, single point ("SP"), audio-frequency magnetotelluric ("AMT"), EM, borehole and surface IP/resistivity surveys (1960s)
- Gravity, airborne magnetic, and controlled-source audio-frequency ("CSAMT") surveys (1990s)

We have minimal information or documentation associated with these geophysical surveys conducted prior to the 1990s. Where data are available in these earlier surveys, the lack of details in data acquisition, coordinate systems, and data reduction procedures limit their usefulness. The only complete geophysical report that is available concerns down-hole IP/resistivity results. Most notable is the 1996 Bouguer gravity survey from the Bornite deposit into the Ambler Lowlands. The Bornite deposit itself is seen as a significant 3 milligal anomaly. Numerous 2 milligal to > 6 milligal anomalies occur under cover in the Ambler Lowlands and near the Aurora Mountain and Pardner Hill occurrences. In addition to the

geophysical surveys conducted by Kennecott, the ADNR completed an aeromagnetic survey of portions of the Ambler mining district in 1974-1975.

Several studies have been undertaken reviewing the geology and geochemistry of the Bornite deposit. Most notable is Murray Hitzman's PhD dissertation at Stanford University and Don Runnel's PhD dissertation at Harvard University. Bernstein and Cox reported on mineralization of the "No. 1 Ore Body" in a 1986 paper in Economic Geology. In addition to the historical work, Ty Connor at the Colorado School of Mines recently completed a Master's thesis which reported on the timing of alteration and mineralization at the Bornite deposit.

Kennecott conducted two technical reviews of the groundwater conditions and a summary of the findings related to the flooding of the exploration shaft. In 1961, Kennecott collected 32 coarse reject samples from five drill holes to support preliminary metallurgical test work at Bornite. Samples targeted high-grade (> 10%) copper mineralization from the Upper Reef at the Ruby Zone.

Bornite Project - Geological Setting and Mineralization

The Bornite Project is located within the Arctic Alaska Terrane, a sequence of mostly Paleozoic continental margin rocks that make up the Brooks Range and North Slope of Alaska. It is within the Phyllite Belt geologic subdivision, which together with the higher-metamorphic grade Schist Belt, stretches almost the entire length of the southern Brooks Range and is considered to represent the hinterland of the Jura-Cretaceous Brookian orogeny. The southern margin of the Phyllite Belt is marked by mélange and low-angle faults associated with the Kobuk River fault zone, while the northern boundary is thought to be gradational with the higher-grade metamorphic rocks of the Schist Belt.

The geology of the Bornite resource area is composed of alternating inervals of carbonate rocks (limestone and dolostone) and calcareous phyllite. Limestone transitions laterally into dolostone near zones of mineralization and is considered to be hydrothermally altered. Spatial relationships and petrographic work suggest that dolomitization is genetically related to early stages of the copper mineralizing system; however, recent re-logging has questioned this view.

In 2015, Trilogy made an effort to improve the understanding of the distribution and nature of the various lithologic units and their context within a sedimentary depositional model. A new interpreation, based on lithogeochemical signatures of the various units along with their historical visual logging, concluded that stacked debris flows composed of basal non-argillaceous channelized breccias were overlain by upward fining upward sequence of increasingly argillaceous-rich breccias capped by high calcium (Ca) phyllites, confined laterally in channels between either massive or thin-bedded platform carbonates.

Two mineralized stacked debrite sequences were named the Lower and Upper Reefs. The Upper Reef grades upward into argillaceous limestones instead of discrete high Ca phyllites indicating a waning of debris supply. Based on this interpretation, a series of individual debrites were identified and modeled. In contrast to the locally derived high-Ca phyllites of the debrite- dominated Bornite carbonate sequence, low calcium (Ca) phyllites are abundant in the allochthonous Anirak schist (quartz phyllite) and the The Beaver Creek phyllite that underlie and overlie the Bornite carbonate sequence, respectively. In addition to depositional lithostratigraphy, a crosscutting mineralized breccia called the "P-Breccia" has been identified in and around the South Reef deposit. Though poorly defined due to lack of drilling in the area, the P-Breccia zone—which contains excellent copper grade—lies at the apex of the Iron Mountain discontinuity. Although clearly post-deformational, it remains unclear whether the P-Breccia is a post-depositional structural, hydrothermal or solution-collapse breccia.

A short lithostratigraphic project carried out during the 2021 field season updated the depositional environment of the Bornite succession; this resulted in significant differences when compared to the previously summarized interpretations. The Bornite succession is now understood to be a carbonate slope deposit characterized by (a) lime mudstone, exported to the slope from a contemporaneous shallow-marine carbonate factory, variably mixed with and interlayered with (b) "background" argillaceous sediment that is locally carbonaceous. Superimposed on these calcite-dominated "normal"

slope strata are locally impressive thicknesses of dolomudstone-clast conglomerate (formerly “breccia”). Slope limestone and siltstone-mudstone were originally centimetrically to decimetrically bedded, but are commonly ductilely deformed, producing the variably limey ‘phyllites’ that exhibit sub-mm scale foliation. In contrast, the dolostone-clast conglomerates and individual dolomudstone clasts responded brittlely to Brookian stress and show no significant shearing or plastic deformation. Instead, plastic deformation is largely restricted to the various phyllitic layers around the peripheries of the dolostone bodies.

Structural fabrics observed on the property include rare bedding and two distinct metamorphic foliations. Bedding (S0) can be measured only rarely where phyllite and carbonate are interbedded and it is unclear to what extent it is transposed. The pervasive foliation (S1) is often mylonitic and exhibits both an imprinted stretching lineation and preferred “top” direction. It is easily measured in phyllites and is commonly reflected by colour banding and/or stylolamination (flaggy habit in outcrop) of the carbonates. Core logging shows that S1 is folded gently on the 10 m scale and locally tightly folded at the decimetre scale. S2 axial planar cleavage is locally developed in decimetre scale folds of S1. Both S1 and S2 foliations are considered to be Jurassic in age. Some limestone outcrops, in particular the “TBLS” on Aurora Mountain and the marbles at the base of Coral Hill, also exhibit a stretching lineation. Core-logging shows that S1 is folded gently on a 10 m scale and locally tightly folded at the decimetre scale forming a common S2 axial planar cleavage. S2 is folded gently on a 10 m scale forming an upright mesoscale S3 foliation. S1 and S3 foliations are thought to be Jura-Cretaceous in age.

Structural mapping in 2021 recognized a well-developed stretching lineation (i.e., L-tectonite) in the carbonate-phyllite rocks, typically oriented shallowly towards the NNE or SSW. “Top” direction indicate movement to the S or SSW along the vector of the stretching lineation. Moreover, new mapping indicates that stiff Bornite rocks, in particular metric to hectametric dolostone bodies, have been boudinaged into 3-D ellipsoids. Slip is accommodated by phyllites., Additional mapping is required to determine whether such a tectonic style plays a role in the distribution of copper mineralization.

Owing to their greater rigidity, dolostone bodies of secondary dolostone manifest strain differently: tan hydrothermal dolostone tends to be broken into centimetre- to decimetre-scale blocks, whereas grey (diagenetic?) dolostone may exhibit unusual, contorted forms, some resembling human fingers or swan necks, as evident in outcrop. Dolostone is rarely cut by plastically deformed zones and instead forms metric to hectametric lenses (“augens”) encased in plastically deformed calc-mylonite and calc-phyllite. This deformation, presumably a product of the Jura-Cretaceous Brookian orogeny, complicates sedimentological interpretations.

Mineralization at Bornite forms tabular mineralized zones that coalesce into crudely stratabound bodies hosted in dolostone conglomerate/breccia. Two significant dolomitic horizons that host mineralization have been identified by drilling and include: 1) the Lower Reef, a substantial 100 m to 300 m thick dolomitized zone lying immediately above the basal quartz phyllite unit of the Anirak schist and 2) the Upper Reef, a 100 m to 150 m thick dolomite horizon that sits roughly 300 m higher in the section. The Lower Reef is separated from the Upper Reef by a zone of ductilely sheared phyllites up to 60 m thick.

The Lower Reef dolostone outcrops along the southern margin of the Ruby Zone and is spatially extensive throughout the deposit area. It hosts a significant portion of the shallow mineral resources in the Ruby Zone as well as higher grade mineral resources down-dip and to the northeast in the South Reef area. The Upper Reef hosts relatively high-grade mineral resources to the north in the Ruby Zone. The Upper Reef appears to lie at an important NE-trending facies transition to the NW of the main drilled area and appears to be at least partially thrust over the Lower Reef stratigraphy to the southeast.

Drill results from 2013 show dolomitization and copper mineralization in the Upper and Lower Reefs coalescing into a single unit along the northern limits of current exploration. The NE- trending Ruby Zone and South Reef areas also coalesce into a roughly 1,000 m wide zone of >200 m thick dolomite containing significant copper mineralization dipping north at roughly 5-10 degrees. The 2017 drill results show that the mineralized dolomite interval continues for at least another 700m down-dip to the northeast from mineralization in the Upper and Lower Reefs.

Bornite Project – Mineralization

Copper mineralization at Bornite comprises chalcopyrite, bornite, and chalcocite distributed in stacked, roughly stratiform zones exploiting favourable lithologies (conglomerate/berccia) within the Bornite sequence. Mineralization occurs, in order of increasing grade, as disseminations, irregular and discontinuous stringer-style veining, breccia matrix replacement, and stratabound massive sulphides. The distribution of copper minerals is zoned around the bottom-centre of each zone of mineralization, with bornite-chalcocite-chalcopyrite at the core progressing outward to a fringe of chalcopyrite-pyrite. Additional volumetrically minor copper minerals include carrollite, digenite, tennantite-tetrahedrite, and covellite. Stringer pyrite and locally significant sphalerite occur above and around the copper zones and locally massive pyrite and sparse pyrrhotite are associated with siderite alteration below copper mineralization in the Lower Reef.

Significant cobalt mineralization is found accompanying bornite-chalcocite mineralization. Cobalt often occurs with high-grade copper as carrollite (Co2CuS4) and as cobaltiferous rims on recrystallized pyrite grains. Preliminary geometallurgical work by Trilogy showed that cobalt occurs primarily as cobaltiferious pyrite (approximately 80% of he contained cobalt) and within other cobalt minerals such as carrollite, and cobaltite (CoAsS).

Some appreciable silver values are also found at Bornite, particularly in association with bornite-rich mineralization in the South Reef area and Ruby Zones.

Bornite Project – Exploration

Exploration in and around the Bornite Project by Kennecott from 1957 to 1998 is summarized above. In addition to the extensive drilling completed during the more than 40-year tenure of Kennecott in the district, Kennecott completed widespread surface geochemical sampling, regional and property scale mapping, and numerous geophysical surveys employing a wide variety of techniques. The majority of this data has been acquired by us and forms the basis for renewed exploration that targets Bornite-style mineralization in the Bornite carbonate sequence.

NovaGold as the precursor company to us began to actively pursue an agreement to explore the Bornite Project with NANA in 2005 resulting in an initial airborne geophysical survey in 2006. Negotiations on the consolidation and exploration of the entire Ambler district continued for the next several years culminating in the NANA Agreement in October 2011.

With the NANA Agreement approaching completion, NovaGold initiated work in 2010 to begin to characterize the exploration potential and depositional controls by re-logging and re-analyzing select drill holes with a Niton portable x-ray fluorescence (“XRF”) to determine geochemical variability. In 2011, NovaGold began an initial drill program to verify the historical database and exploration potential and conducted additional geophysical surveys to provide better targeting tools for continued exploration in the district. In 2012, we expanded the IP geophysical coverage completing a major district-wide survey that targeted the prospective Bornite Carbonate sequence. Subsequent resource drilling between 2011 and 2013 based on the exploration targeting is discussed in the “*Bornite Project - Mineral Resource Estimates”* section below.

2006 NovaGold

In 2006, NovaGold contracted Fugro Airborne Surveys to complete a detailed helicopter DIGHEM (frequency-domain EM), magnetic and radiometric survey of the Cosmos Hills. The survey covered a rectangular block approximately 18 km by 49 km which totaled 2,852-line km. The survey was flown at 300 m line spacing with a line direction of N20E. The DIGHEM helicopter survey system produced detailed profile data of magnetics, EM responses and radiometrics (total count, uranium, thorium, and potassium) and was processed into maps of magnetics, discrete EM anomalies, EM apparent resistivity, and radiometric responses.

2010 NovaGold

In 2010, in anticipation of completing the NANA Agreement, NANA granted NovaGold permission to begin low level exploration at Bornite; this consisted of re-logging and re-analyzing select drill holes using a Niton portable XRF. In addition to the 2010 re-logging effort, NovaGold contracted a consulting geophysicist, Lou O'Connor, to compile a unified airborne magnetic map for the Ambler mining district from Kennecott, Alaska DNR, and NovaGold airborne geophysical surveys.

2011 NovaGold

In 2011, NovaGold contracted Zonge International Inc. ("Zonge") to conduct both dipole-dipole complex resistivity induced polarization ("CRIP") and natural source audio-magnetotelluric ("NSAMT") surveys over the northern end of Bornite to develop tools for additional exploration targeting under cover to the north.

NSAMT data were acquired along two lines totaling 5.15 line-km; one line is oriented generally north-south through the centre of the survey area and the other being the southernmost east-west line in the survey area. CRIP data were acquired on five lines: four east-west lines and one north-south line, for a total coverage of 14.1 line-km and 79 collected CRIP stations. The initial objective of the survey was to investigate geological structures and the distribution of sulphides possibly associated with copper mineralization.

Results from the paired surveys show that wide-spaced dipole-dipole resistivity is the most effective technique to directly target the mineralization package. Broad, low-resistivity anomalies reflecting pyrite haloes and mineralization appear to define the limits of the fluid package. Well-defined and often very strong chargeability anomalies are also present, but appear in part to be masked by phyllitic units which also have strong chargeability signatures. NSAMT shows similar resistivity features as the IP, but these are less well resolved.

2012 NovaCopper

In light of the success of the 2011 geophysical program, we contracted Zonge to conduct a major district-wide dipole/dipole IP survey, a down-hole IP radial array survey in the South Reef area, and an extensive physical property characterization study of the various lithologies to better interpret the existing historical geophysical data.

Zonge completed 48 line km of 200 m dipole/dipole IP during 2012, infilling and expanding on the 2011 survey, and stretching across the most prospective part of the outcropping permissive Bornite carbonate sequence. The results show a well-defined low resistivity area associated with mineralization and variable IP signatures attributed both to mineralization and the overlying Beaver Creek phyllite. Numerous target areas occur in the immediate Bornite area with lesser targets occurring in the Aurora Mountain and Pardner Hill areas and in the far east of the survey area.

During the 2012 drill program at South Reef, a single drill hole was targeted on a low resistivity area approximately 500 m to 600 m southeast of the South Reef mineralization trend. Although the drill hole intersected some dolomite alteration in the appropriate stratigraphy, no significant sulphides were encountered.

In addition to the extensive ground IP survey, Zonge also completed 9 km of down-hole radial IP using an electrode placed in drill hole RC12-0197 to further delineate the trend and potential in and around the South Reef. Extensive physical property data including resistivity, chargeability, specific gravity, and magnetic susceptibility were captured for use in modelling the existing ground IP and gravity surveys, and the airborne EM and magnetic surveys.

In addition to geophysical focused exploration, a district wide geologic map was compiled integrating Kennecott's 1970's mapping of the Cosmos Hills with selective Trilogy mapping in 2012.

2013 NovaCopper

The emphasis of the 2013 program was to further validate and refine the 2012 geologic map of the Cosmos Hills. A deep penetrating soil and vegetation geochemical orientation survey was completed over the South Reef deposit, using various partial leaches and pH methods. The initial, approximately 1 km, test lines suggest a good response for several of the partial leaches of the soils but little response in the vegetative samples. Follow-up is warranted to the north of the deposit into the Ambler Lowlands.

2014 NovaCopper

During 2014, exploration work was limited to a re-logging and re-sampling program of historical Kennecott drill core.

2015 NovaCopper

As a follow-up to the 2013 field program, a deep penetrating soil and vegetation geochemical survey was extended north of the deposit into the Ambler Lowlands. Trilogy geologists completed a lithogeochemical desktop study and a comprehensive update to the 3D lithology model.

2017 Trilogy

The 2017 field program extended the 2013 and 2015 deep penetrating geochemical ("DPG") soil survey another 500m to the northeast. The 2013 soil line was extended 1,500m to the east to test over the covered projection of the Two Grey Hills carbonate section. The 3D lithology model was updated to incorporate the 2017 drill program results, which are described in Section 10,

Trilogy also completed a close spaced ground gravity survey over a 2 km by 4km grid with 100 m station spacing over the resource area and extending northeast over the 2017 drill target area. The complete Bouguer anomaly residual plot (removes a strong decreasing to the northeast regional gradient) shows good correlation with the Lower Reef mineralization that outcrops on surface with the gravity high gradually decreasing down-dip to the northeast.

As part of the overall gravity program, Mira Geosciences created a petrophysical model for the Bornite deposit that synthesized the expected gravity response on surface (forward model) for the 2017 gravity stations. This forward model matches very closely with the actual survey data over the deposit area, but diverges on the south end where the expected response of gravity low is actually a strong gravity high that may reflect shallow mineralization up-dip along the South Reef trend. Mira also completed a geologically constrained 3D inversion using the 2017 gravity data. Two areas of anomalously high densities (>2.9 g/cc) were identified. The first area extends up to 750m to the east-northeast of RC17-0239, which was one of the more successful holes in 2017 and is coincident with the Iron Mountain structure. The second anomaly is located just above the Anirak contact (Lower Reef) to the west of the 2017 target area and 700m to the north of the closest drill hole (RC-53), which is weakly mineralized along that horizon. This area falls along the northwest-southeast high grade thickness trend.

2018 Trilogy

During the 2018 field season, Trilogy Metals carried out additional DPG and a 2D seismic survey at Bornite. In addition, geophysical and geochemical data from Bornite were studied using existing datasets. Soil sampling was completed on the westerly extension of the DPG lines on the northwestern portion of the Bornite deposit. DPG was used to assist with outlining the edges of the deposit as well as to corroborate gravity anomalies defined during the 2017 field season.

A 2D seismic survey was completed by HiSeis (3D seismic imaging) in June 2018. This 2D acquisition program was designed to test whether seismic reflection was suitable for the Bornite deposit and to understand the logistics of any future 3D seismic survey over the project area. Two 6 km 2D seismic lines, a dip line and a strike line, were acquired with a total of 792 unique source locations to attempt to image hanging wall and footwall shears; other faults and shears; folding of stratigraphy; internal (within Bornite sequence) phyllite units; facies changes within the dolostones; and direct

detection of massive sulphide mineralization; and any alteration associated with mineralization. Acquisition of this 2D dataset used 500 g seismic charges as a means of producing seismic energy. All seismic vibrations were measured on a "fully active" line of 1,189 geophone receivers which provided up to 6 km of offset on either side of the source using the Aries I seismic acquisition system. Supporting rock property data were acquired from drill core stored in Fairbanks, Alaska.

Mira Geosciences completed a 3D inversion model of the 100 m spaced ground gravity data that were collected over the Bornite deposit during the 2017 exploration season. Using geology to constrain the model, three areas of anomalously higher gravity were defined. Unfortunately, none of these intervals were properly tested in 2017 with two holes, those at Anomaly "B" and "C", ending above the gravity anomalies. Two of the three identified anomalies from the 2017 inversion modelling changed in size and relative orientation with the updated geologic model. Anomaly B, which stretches to the northwest from hole RC17-0238 decreased in extent, likely the result of a thicker-than-previously-modelled Upper Reef carbonate section in RC17-0238. Anomaly C is much broader and less defined, indicating that it may be the result of underestimating the SG in the lithology model (incorrect interpretation). This anomaly remains untested with the failures of drill holes RC17-0242 and RC18-0245 and should be redrilled in the future. Anomaly A is relatively unchanged and remains coincident with the Iron Mountain structure. Holes RC18-0246, RC18-0249, and RC18-0250 tested the southwest edge of the anomaly where it joins the South Reef trend. Hole RC18-0250 suggests that mineralization wanes to the east, though this hole may have just missed mineralization controlled by the Iron Mountain structure. The northeast extent of this anomaly is still considered a viable exploration target.

South32 completed a QA/QC review, lithogeochemical-alteration assessment, and a vectoring/targeting exercise on downhole geochemical data on the Bornite deposit. The purpose of this exercise was to use downhole analyses to assess the geology, alteration, and mineralogy of the deposit to vector towards mineralization. The Bornite sequence can be classified into three geochemical groups including: 1) very low immobiles; 2) low immobiles; and 3) higher immobiles. The latter was then subdivided into five groups based on Al, Cr, and V concentrations. The "very low" and "low immobile" groups are predominately limestones and dolomites (including breccias), whereas increasing Al in "higher immobiles" represent the increasingly argillaceous/micaceous units (phyllites). High Al samples in the lower Bornite sequence can be discriminated from those in the upper sequence based on high Ni:Cu ratios. In the South Reef area, lithogeochemistry supported Trilogy Metals' geologic model, identified the lower, central and upper Bornite sequence units and distinguished many of the logged phyllites from breccias. The results support Trilogy Metals' interpretation that the Ruby Zone in the Lower Reef is hosted in units corresponding to the South Reef central sequence.

2019 Trilogy

In 2019, Trilogy Metals contracted Geotech Ltd. (Geotech) of Aurora, Ontario to complete VTEM Plus (versatile time domain electromagnetic) and ZTEM (z-axis tipper electromagnetic) airborne helicopter geophysical surveys over the Cosmos Hills and the Ambler VMS belt. Magnetics were measured using a cesium vapour sensor, while radiometrics was not collected due to snow cover.

The VTEM survey was flown along 200 m spaced lines oriented northwest-southeast over the entire Bornite carbonate sequence north of the Cosmos Arch (which hosts the Bornite deposit), with additional lines at 100 m spacing directly above the Bornite resource. A second set of perpendicular lines (southwest-northeast) were flown at 200 m spacing over just the general Bornite area. Tie lines at ~4,000 m spacing were flown perpendicular to the EM flight lines to provide control for the magnetic survey.

The VTEM results from the Bornite sequence are complex and appear to be mostly reflecting bedrock lithologies (the graphitic phyllites). The conductive plates that were modelled are generally coincident with the interpreted phyllite units, as are the apparent anomalies tested by holes RC19-0263 and RC19-0266.

2020 Ambler Metals

Trilogy Metals and South32 decided not to proceed with the 2020 exploration program due to the coronavirus (COVID-19) pandemic. The Bornite geologic model was updated using the 2019 drill program results. The Irish Centre for Research in Applied Geosciences initiated a machine-learning geochemical modelling project to help define the controls on high-grade copper mineralization.

2021 Ambler Metals

During the 2021 field season, the understanding of the Bornite deposit and the potential for additional deposits was advanced with a new interpretation of the carbonate sequence at Bornite and an improved structural understanding of the Cosmos Hills. Dr. Elizabeth Turner, specialist in carbonate geology from Laurentian University, re-logged two fences/sections of drill holes, E-W and N-S, through the Bornite deposit, to identify, distinguish and correlate lithofacies within the Bornite sequence and to identify and distinguish different types/ages of dolomitization, including, if possible, their relation to mineralization.

Turner describes the Bornite sequence as a tectonized "normal" carbonate slope deposit that consists of calcitic material (lime mud) derived from a nearby shallow-marine source area, interlayered with variable amounts of "background" terrigenous mud (argillaceous proportion increases with distance downslope). The observed sequence includes massive lime mudstone, thin-bedded argillaceous lime mudstone, lime mudstone centimetrically interbedded with terrigenous mudstone, calcareous siltstone, and limestone-clast slope conglomerates. Brookian deformation strained these argillaceous limestone slope deposits to varying degrees producing phyllites and recrystallized, strained limestones/marbles.

Importantly, superimposed on the active limestone slope system is the local presence of dolostone-clast conglomerate. Dolostone clasts are equant and irregular; predominantly dolomudstone (locally with fossil fragments) and are likely derived from subaqueous horst blocks of pre-existing older dolostone and shed into the slope limestone system. The fault scarp(s) that shed dolostone clasts were probably part of a seafloor paleotopographic system that developed during regional extension and associated fault-mediated syn-depositional subsidence.

Also initiated in 2021 was structural mapping around Pardner Hill and Aurora Mountain by Dr. Jason Price. Initial results indicate: (1) Large carbonate bodies, such as Pardner Hill, Shield Mountain, and probably also Aurora Mountain, are fault klippen in allochthonous contact with the structurally subjacent Anirak schist; (2) Dolostone bodies are typically boudinaged forming metric to hectametric 3-D ellipsoids encased in ductilely deformed phyllites and, in some places, calc-mylonites (limestone protolith); (3) Top-South (to SSW) deformation at a number of outcrops in the Cosmos Hills suggest that this entire structural "block" may have been juxtaposed southward from the position of the Ambler Lowlands or, potentially, from off the top of the Ambler Highlands (Arctic area) during exhumation that was part of the Brookian orogeny; (4) the fault contact with the overlying Beaver Creek phyllite is likely a low-angle normal fault that cuts out of the Bornite deposit to the southeast where Beaver Creek is in structural contact with Anirak schist.

Bornite Project – Drilling

From 1957 to 2019, a total of 273 holes targeted the Bornite deposit during 24 different campaigns; 222 surface core holes and 51 underground core holes were drilled, totalling 106,406 m. All of the drill campaigns prior to 2011 were completed by Kennecott or its exploration subsidiary, BCMC, and the drill campaigns since 2011 were completed by NovaGold (2011), NovaCopper (2012 and 2013) or Trilogy.

In the summer of 2017, Trilogy Metals initiated eleven holes, but four were abandoned due to drilling problems. The seven remaining drill holes stepped-out to the north for distances between 250 m to 400 m from the previous drill holes; these were distances considered too far to support the estimation of mineral resources at that time.

From 1957 to 1976, Kennecott used drilling contractor Sprague and Henwood, a Pennsylvania-based drilling company. Kennecott's 1997 program (three drill holes) was completed by Tonto Drilling Services, Inc. (a NANA-Dynatec company).

The 2011 through to 2013 NovaGold/Trilogy Metals programs used Boart Longyear Company as the drill contractor. The 2017 program used Tuuq drilling, a NANA company, who sub-contracted Major Drilling. The 2018 program used both Major and Tuuq as the primary drill contactors and the 2019 program used Major as the primary contractor.

In the initial years of drilling at Bornite, Kennecott relied on AX diameter core (1.1875 in or 30.2 mm diameter), but, as drilling migrated towards deeper targets, a change to BX diameter core (1.625 in or 41.3 mm diameter) was implemented to help limit deviation. From 1966 to 1967, drilling activity at Bornite moved underground and EX diameter core (0.845 in or 21.5 mm diameter) was implemented to define the Ruby Upper Reef zone "No.1 Ore Body". In 1968, drilling activity moved back to the surface and from 1968 to 1972, BX diameter core was most commonly drilled. In later years, core size increased to NX (2.125 in or 54.0 mm diameter) and finally, in 2011, core size increased to NQ (1.874 in or 47.6 mm diameter) and HQ (2.5 in or 63.5 mm diameter). Over the years, progressively larger diameter drill rods have been used in an effort to minimize drill hole deviation.

There is only limited information with respect to the specific drill core handling procedures used by Kennecott during its tenure at the Bornite deposit. All of the drill data collected during the Kennecott drilling programs (1958 to 1997) were logged on paper drill logs, and copies were stored in the Kennecott office in Salt Lake City, Utah. Electronic, scanned copies of the paper logs, in PDF format, are held by Trilogy. Drill core was sawed or split in half with a splitter, half was submitted to various assay labs and the remainder was stored in the Kennecott core storage facility at the Bornite deposit. In 1995, Kennecott converted the drill assay data, geologic core logs and the down-hole collar survey data into an electronic format. In 2009, NovaGold geologists verified the geologic data from the original paper logs against the Kennecott electronic format and then merged the data into a MicrosoftTM SQL database. Sampling of drill core by Kennecott and BCMC focused primarily on the moderate to high grade mineralized zones. Intervals of visible sulphide mineralization containing roughly >0.5% to 1% Cu were selected for analysis by Union Assay Office Inc. of Salt Lake City, Utah. This approach left numerous intervals containing weak to moderate copper mineralization, un-sampled in the historical drill core. During the 2012 exploration program, we began sampling a portion of this remaining drill core in select holes in the South Reef area. Trilogy extended this sampling program to the Ruby Zone in 2013 and 2014.

Throughout our tenure at Bornite, the following core handling procedures have been implemented (including programs conducted by NovaGold and NovaCopper). Core is slung by helicopter, or transported by truck or ATV, from the drill rig to the core-logging facility. Upon delivery, geologists and geotechnicians open and inspect the core boxes for any irregularities. They first mark the location of each drilling block on the core box, and then convert footages on the blocks into metric equivalents. Geotechnicians or geologists measure the intervals (or "from/to") for each box of core and include this information, together with the drill hole ID and box number, on a metal tag stapled to the end of each box. Geotechnicians then measure the core to calculate percent recovery and rock quality designation ("RQD"). RQD is the sum of the total length of all pieces of core in a run over 12 cm. The total length of core in each run is measured and compared to the corresponding run length to determine percent recovery. Core is then logged with lithology and visual alteration features captured on observed interval breaks. Mineralization data, including sulphide species and abundance (recorded as percent), and gangue and vein mineralogy are collected for each sample interval with an average interval of approximately 2 m. Structural data is collected as point data. Geologists then mark sample intervals to indicate each lithology or other geologically appropriate intervals. Sample intervals of core are typically between 1 m and 3 m in length but are not to exceed 3 m long. Occasionally, if warranted by the need for better resolution of geology or mineralization, smaller sample intervals have been used. Geologists staple sample tags on the core boxes at the start of each sample interval and mark the core itself with a wax pencil to designate sample intervals. This sampling approach is considered sound and appropriate for this style of mineralization and alteration. Drill core is digitally photographed prior to sampling. Drill core is cut in half using diamond core saws. Specific attention to core orientation is maintained during core sawing to ensure that representative samples are obtained. One-half of the core is retained in the core box for storage on site, or at our Fairbanks warehouse, and the other half is bagged and labeled for analysis. Samples are selected for specific gravity measurements.

In 2013 and 2014, 33 historical drill holes and 37 historical drill holes, respectively, in the Ruby Zone were re-logged, re-sampled and re-assayed as these holes had previously only been selectively sampled by Kennecott. Entire holes were re-logged using Trilogy protocols discussed above. Samples were submitted either as half-core, where previously sampled,

or whole core where un-sampled (to ensure that a sufficient volume of material was provided for analysis). Sample intervals were matched to historical intervals whenever possible or selected to reflect Trilogy sampling procedures described above. The objectives of the re-assay/re-logging program were threefold: 1) to implement a QA/QC program on intervals previously sampled by Kennecott in order to confirm the validity of its results; 2) to identify additional lower grade (0.2%-0.5% Cu), which was not previously sampled; and 3) to provide additional multi-element ICP data to assist in the geologic interpretation of the deposit.

Bornite Project - Sample Preparation, Analyses and Security

Sample preparation, analytical lab accreditation and security measures taken during historical Kennecott and BCMC programs are unknown to us; however, we are not aware of any reason to suspect that any of these samples have been tampered with. The 2011 to 2013 and 2017 samples were either in the custody of NovaGold or Trilogy personnel or the assay laboratories at all times, and the chain of custody of the samples is well documented.

Once drill core was sawed in half, one half was retained for future reference and the other half was sent to ALS Minerals (formerly ALS Chemex) in Vancouver, BC for analyses. Core samples were shipped from the Bornite Camp when backhaul capacity was available on the chartered aircraft; this was generally five to six days a week. Rice bags, containing two to four individual poly-bagged core samples, were marked and labeled with the ALS Minerals address, project name (Bornite), drill hole number, bag number, and the enclosed sample numbers. Rice bags were secured with a pre-numbered plastic security tie, assembled into loads for transport by chartered flights on a commercial airline to Fairbanks, Alaska, and delivered directly to the ALS Minerals preparation facility by a contracted expeditor. Core samples were also inserted into these shipments at the rate of one standard, one blank and one duplicate per 17 core samples. Samples were logged into a tracking system on arrival at ALS Minerals, and weighed. Samples were then crushed, dried, and a 250 g split was pulverized to greater than 85% passing 75 µm.

Copper and cobalt data were derived using an additional 48-element suite assayed by inductively coupled plasma-mass (ICP-MS) and atomic emission spectroscopy (ICP-AES) methodologies, following a four-acid digestion. Over limit (>1.0%) copper and cobalt analyses were completed by atomic absorption (AA), following a four-acid digestion. In 2011 and 2012, gold assays were determined using fire analysis followed by an atomic absorption spectroscopy (AAS) finish. Gold was not analyzed in 2013 or 2014. The lower detection limit was 0.005 ppm Au; the upper limit was 10 ppm Au.

ALS Minerals has attained International Organization for Standardization (ISO) 9001:2000 registration. In addition, the ALS Minerals laboratory in Vancouver is accredited to ISO 17025 by Standards Council of Canada for a number of specific test procedures including fire assay of gold by AA, ICP and gravimetric finish, multi-element ICP and AA assays for silver, copper, lead and zinc. Trilogy has no relationship with any of the primary or check assay labs used on the Bornite Project.

In 2012, 2013, 2014, and 2017 through to 2019, Trilogy Metals staff performed continuous validation of the drill data during the logging process and after the field program was complete (West, 2013; Morris, 2014). Trilogy Metals also retained independent consultant Caroline Vallat, P.Geo. of GeoSpark Consulting Inc. (GeoSpark) to import digital drill data to the master database and conduct QA/QC checks upon import; conduct a QA/QC review of paired historical assays and Trilogy Metals 2012, 2013 and 2014 re-assays; monitor an independent check assay program for the 2012, 2013 and 2014 campaigns; and generate a QA/QC report for each of the drilling campaigns conducted in 2012, 2013, 2014, 2017, 2018 and 2019, including a 2017 review of the cobalt data.

Bornite Project - Mineral Resource Estimates

We have filed several previous NI 43-101 Technical Reports on the Bornite Project dated March 18, 2014, February 5, 2013, July 18, 2012, April 19, 2016 and July 20, 2018. The effective date of this resource is December 31, 2021. These discussions of underground and surface mining parameters are used solely for the purpose of testing the “reasonable prospects for economic extraction” and do not represent an attempt to estimate mineral reserves. No mineral reserves were calculated for the Bornite Project. These preliminary evaluations are used to assist with the preparation of a Mineral Resource Statement and to select appropriate reporting assumptions.

In the opinion of the QPs, the mineral resource evaluation reported herein is a sound representation of the copper and cobalt mineral resources for the Bornite Project at the current level of sampling. The mineral resources were estimated in conformity with generally accepted CIM *Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines* (November 2019) and are reported in accordance with the Canadian Securities Administrators' NI 43-101. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into a mineral reserve. The QPs audited the database used to estimate the Bornite Project mineral resource, and the QPs are of the opinion that the current drilling information is sufficiently reliable to confidently interpret the boundaries for copper and cobalt mineralization, and the assay data are sufficiently reliable to support mineral resource estimation.

In the summer of 2017, seven holes were drilled that tested the down-dip continuity of the northern part of the Bornite deposit. These drill holes successfully intersected the mineralized target horizon, but the spacing of these holes was considered too far apart to support the generation of additional mineral resource estimates at that time, and as a result, the estimate of copper mineral resources remained unchanged in the June 2018 report from those reported in the previous technical report dated April 2016, and the June 2018 technical report included an estimate of cobalt mineral resources.

In the summer of 2018, Trilogy Metals conducted a drilling program on the Bornite deposit that included the completion of 12 holes that infilled gaps in previous drilling in the northern, down-dip part of the deposit as well as in the central area between the Ruby Zone and South Reef area.

In the summer of 2019, another drilling program was conducted on the Property comprising eight holes that tested the continuity of the mineralization within the Bornite deposit and two holes that tested exploration targets located about 1 km south and southeast of the deposit.

From 2011 through 2017, Trilogy Metals implemented an expanded program of re-sampling and re-assaying for an extended suite of elements, including cobalt. Analyses of these additional elements were continued on samples collected during the 2018 and 2019 drilling programs, and once again, estimates of both copper and cobalt mineral resources are included in this report.

The Bornite Project database comprises a total of 273 diamond drill (core) holes totalling 106,406 m; 203 holes target the Ruby Zone to the west and 58 holes target the South Reef area to the east. The remaining 12 holes in the database are exploratory in nature and test for satellite mineralization proximal to the Bornite deposit or represent holes that encountered problems and were therefore abandoned. The database contains a total of 39,740 samples that were analyzed for copper content and 34,177 that were analyzed for cobalt content. Most holes drilled by Trilogy, plus a few select historical holes drilled by Kennecott, contain additional analyses for elements such as zinc, lead, gold, silver, and cobalt; at this time, only copper and cobalt show any significant economic potential, and the others were excluded from the estimation of mineral resources.

During the 2012, 2013 and 2014 field seasons, Trilogy collected samples from drill hole intervals that Kennecott never sampled. It is assumed that Kennecott did not sample these intervals because, visually, they did not exhibit the presence of high-grade copper mineralization (amenable to underground mining). In previous mineral resource estimates, these un-sampled intervals were assigned a default grade of 0% Cu. At this current stage, the majority of the core drilled by Kennecott has been sampled and analyzed for copper content. The sampling and assaying for cobalt is less extensive. Where assay data are not available, these intervals are assigned a zero grade for copper (0% Cu) when the host rocks are phyllite, or they left as "missing" when the host rocks are carbonates. No adjustments were made to intervals where cobalt grades are missing, and mineral resource estimates are estimated using the available sample data. Individual sample intervals range from 3 cm to 39.58 m long and average 2.09 m.

Drill hole spacing at the Ruby Zone varies from approximately 10 m to 20 m for underground holes and 50 m to 100 m or more for holes drilled from surface. All holes testing the South Reef area are collared from surface and typically intersect mineralization at approximately 100 m to 200 m spacing.

Specific gravity (SG) measurements were conducted on 7,476 samples in the database and range from a minimum of 2.12 to a maximum of 5.20 and average 2.89. The distribution of SG data is considered sufficient to support block model estimation.

Drill core recovery was recorded for approximately one half of the drill holes at the Ruby Zone and in essentially all of the South Reef drill holes. Overall, core recoveries are considered to be very good with an average of 86% for the Project. Only 8% of samples have recoveries ≤ 50%, and approximately 85% of samples have core recoveries ≥ 75%. There is no apparent correlation between copper grade and drill core recovery. There were no adjustments or omissions to the mineral resource database in response to drill core recoveries. Trilogy provided a topographic digital terrain surface derived from a 2010 PhotoSat 1 m resolution model. Drill hole collar locations, surveyed using a differential GPS, correlate very well with the local, digital terrain (topographic) surface.

The geologic model interpreted for the Bornite deposit consists primarily of a series of inter-bedded carbonate and phyllitic rocks that dip gently to the north and overlay a quartz-phyllite footwall. Copper and associated cobalt mineralization occurs primarily as massive, semi-massive, stringer, veinlet and disseminated accumulations of chalcopyrite, bornite and chalcocite in dolomitized portions of the sedimentary host rocks. Cobalt minerals such as carrolite and cobaltiferous pyrite tend to be associated with the copper mineralization. The geologic model comprises 18 individual phyllite domains and 16 separate carbonate domains plus a series of separate domains representing the hanging wall (Beaver Creek phyllite), the footwall (quartz-phyllite Anirak schist), and the overlying overburden. Some of the phyllite and carbonate units are continuous across the entire deposit area and others “pinch out” and are more localized.

The parts of the deposit with the highest grades occur within areas where semi-massive and massive sulphides are present. The density of drilling is insufficient in most areas to allow for the interpretation of these massive sulphide domains, and a probability shell approach is used to identify areas where higher grade mineralization is likely to occur.

Two probability shells were generated: one at a threshold of 2% Cu and another at a threshold of 0.2% Cu. The 2% Cu shell generally correlates with the presence of massive and semi-massive zones of bornite and chalcopyrite mineralization, and the 0.2% Cu shell correlates with the visual presence of chalcopyrite mineralization. Cobalt mineralization is strongly associated with both sets of copper mineralization. The higher grade shell occurs mainly in the South Reef area and is based primarily on visual observations of the distribution of sample data suggesting that a relatively continuous zone of higher grade copper mineralization occurs above a threshold grade of 2% Cu. Note: Approximately 90% of the sample data in the South Reef area is below 2% Cu and 10% of the data is greater than 2% Cu. A relatively small (>2%) copper probability shell is also generated in the Upper Reef area of the Ruby Zone.

Approximately one half of the samples in the carbonate domains have copper grades above the lower grade threshold of 0.2% copper. This limit roughly segregates areas of “mineralized” versus “unmineralized” (including cobalt) rocks and is still below the anticipated cut-off grade of the mineral resource, ensuring that sufficient internal dilution is retained in the mineral resource model. There are also areas where the phyllite domains contain appreciable copper or cobalt grades (above the 0.2% copper threshold), but these tend to be rare and localized occurrences.

Indicator values are assigned to 2 m composites at the grade thresholds described here, and indicator variograms are produced. Probability values are estimated in model blocks using ordinary kriging; the vertical range and locations are controlled dynamically using elevations relative to the trend planes described previously. A series of shells are generated at varying probability thresholds and are then compared to the distribution of the underlying sample data. The higher grade shell represents areas where there is greater than a 30% probability that the grade will be more than 2% Cu. The lower grade shell envelopes areas where there is a greater than 50% probability that the grade will exceed 0.2% Cu.

At this stage of project evaluation, copper is the main economic contributor at Bornite, and it can be assumed that cobalt will act as a secondary metal or byproduct. Therefore, reasonable prospects for eventual economic extraction only address the copper content in the deposit, and the available cobalt is reported based on a copper cut-off grade threshold. It is very rare that appreciable cobalt grades occur where there is no associated copper mineralization. The Bornite

deposit comprises several zones of relatively continuous moderate- to high-grade copper mineralization that extends from surface to depths of more than 800 m below surface. The deposit is potentially amenable to a combination of open pit and underground extraction methods. The "reasonable prospects for eventual economic extraction" requirement was tested using a pit shell based on a series of technical and economic assumptions considered appropriate for a deposit of this type, scale and location.

A pit shell was generated in the area of the Ruby Zone that extends to a depth of approximately 500 m below surface and contains a total of 1.01 billion tonnes. As stated previously, it is assumed that extraction from the Bornite deposit is based on the copper content in the rocks and that cobalt would be a secondary contributor to the potential economic viability of the deposit. As a result, both copper and cobalt mineral resource estimates are defined based on a copper cut-off grade threshold. Mineral resource estimates are reported based at two cut-off grades: 0.5% Cu for material that is amenable to open pit extraction and 1.5% Cu for mineral resources that occur below the pit shell. The cut-off grade of mineral resources amenable to underground extraction is based on an underground mining cost of US$65/tonne. Mineral resources below the open pit shell are separated into two separate areas to highlight that the underground mineral resources in the South Reef area are much thicker and higher grade than those present in the area of the Ruby Zone.

Based on the drilling information to date, the South Reef underground resource occurs in a relatively continuous zone, measuring approximately 1,100 m north-south by 400 m east-west, that dips at about -25 degrees to the north and is located between 400 m and 1,000 m below surface. The true thickness of the underground mineral resource at South Reef is variable from 5 m to more than 40 m in some areas and averages about 15 m to 20 m thick. The underground resources at the Ruby Zone tend to be lower grade, narrower and more patchy or discontinuous in nature, with average true thicknesses typically ranging from 5 m to 10 m in most areas. Mineral resources located below the open pit shell exclude zones of mineralization that are above the base case cut-off grade of 1.5% Cu but are considered too small and/or isolated to be considered economically viable. The resulting continuity of grade and thickness of mineralization included in the estimate of mineral resources below the pit shell exhibits reasonable prospects of eventual economic extraction using underground mining methods such as a combination of longhole stoping and cut-and-fill mining.

Bornite Project - Mineral Resource Statement

Mineral Resources are classified in accordance with the CIM Definition Standards for Mineral Resources and Mineral Reserves (May 2014).

Table 10: Indicated Resource Estimate for the Bornite Project

See "Cautionary Note to United States Investors". This section uses the term "indicated resources". We advise United States investors that these terms are not recognized by the SEC. United States investors are cautioned not to assume that estimates of indicated mineral resources are economically minable or will be upgraded into measured mineral resources. See "*Risk Factors*" and "*Cautionary Note to United States Investors*".

Estimate of Copper Mineral Resources for the Bornite Project - Indicated

Class	Type/Area	Cut-off (Cu %)	Tonnes (million)	Average Grade Cu (%)	Contained Metal Cu (Mlbs)
Indicated	In-Pit[(1)]	0.5	41.7	1.04	955

1. These resource estimates have been prepared in accordance with NI 43-101 and the CIM Definition Standards. See *"Risk Factors" and "Cautionary Note to United States Investors."*

2. Mineral resources stated as contained within a pit shell developed using a metal price of US$3.50/lb Cu, mining costs of US$3/tonne, milling costs of US$11/tonne, G&A cost of US$5/tonne, 87% metallurgical recoveries and an average pit slope of 43 degrees. Underground mining cost is US$65/tonne.

3. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources will be converted into Mineral Reserves.

4. Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade and con-tained metal content.

5. Tonnage and grade measurements are in metric units. Contained copper are reported as imperial pounds.

6. All amounts are stated in U.S. dollars unless otherwise noted.

7. Mineral resources are reported on a 100% basis. Following the formation of Ambler Metals, Trilogy and South32 each own 50% of the Bornite Project.

Table 11: Inferred Resource Estimate for the Bornite Project

See "*Cautionary Note to United States Investors*". This section uses the term "inferred resources". We advise United States investors that these terms are not recognized by the SEC. The estimation of inferred resources involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of resources. See "*Risk Factors*" and "*Cautionary Note to United States Investors*".

Estimate of Copper Mineral Resources – Inferred

Class	Type/Area	Cut-off (Cu %)	Tonnes (million)	Average Grade Cu (%)	Contained Metal Cu (Mlbs)
Inferred	In-Pit[(1)]	0.5	93.9	0.98	2034
	Below-Pit South Reef	1.5	35.3	3.39	2639
	Below-Pit Ruby Zone	1.5	15.0	1.98	653
	Total Inferred		**144.1**	**1.68**	**5326**

1. These resource estimates have been prepared in accordance with NI 43-101 and the CIM Definition Standards. See "*Risk Factors*" and "*Cautionary Note to United States Investors*."

2. Mineral resources stated as contained within a pit shell developed using a metal price of US$3.50/lb Cu, mining costs of US$3/tonne, milling costs of US$11/tonne, G&A cost of US$5/tonne, 87% metallurgical recoveries and an average pit slope of 43 degrees. Underground mining cost is US$65/tonne.

3. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources will be converted into Mineral Reserves.

4. Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade and con-tained metal content.

5. Tonnage and grade measurements are in metric units. Contained copper are reported as imperial pounds.

6. All amounts are stated in U.S. dollars unless otherwise noted.

7. Mineral resources are reported on a 100% basis. Following the formation of Ambler Metals, Trilogy and South32 each own 50% of the Bornite Project.

8. It is reasonably expected that the majority of Inferred mineral resources could be upgraded to Indicated mineral resources with additional exploration.

Estimate of Cobalt Mineral Resources – Inferred

Class	Type/Area	Cut-off (Cu %)	Tonnes (million)	Average Grade Co (%)	Contained Metal Co (Mlbs)
Inferred	In-Pit[(1)]	0.5	135.6	0.017	51
	Below-Pit South Reef	1.5	35.3	0.039	30
	Below-Pit Ruby Zone	1.5	15.0	0.021	7
	Total Inferred		**185.8**	**0.021**	**88**

1. Mineral resources stated as contained within a pit shell developed using a metal price of US$3.50/lb Cu, mining costs of US$3/tonne, milling costs of US$11/tonne, G&A cost of US$5/tonne, 87% metallurgical recoveries and an average pit slope of 43 degrees. Underground mining cost is US$65/tonne.

2. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources will be converted into Mineral Reserves.

3. It is reasonably expected that the majority of Inferred mineral resources could be upgraded to Indicated mineral resources with additional exploration.

4. Due to limited sample data, none of the cobalt mineral resource meets the confidence level for Indicated-class mineral resources. All cobalt mineral resources are considered to be in the Inferred category.

5. Mineral resources are reported on a 100% basis. Following the formation of Ambler Metals, Trilogy and South32 each own 50% of the Bornite Project.

There are no known factors related to environmental, permitting, legal, title, taxation, socio-economic, marketing, or political issues which could materially affect the mineral resource.

Bornite Project – Metallurgy

Metallurgical test work to date indicates that the Bornite Project can be treated using standard grinding and flotation methods to produce copper concentrates. Initial testing indicates copper recoveries of approximately 87% resulting in concentrate grades of approximately 28% Cu with very low potential penalty elements. Further metallurgical test work is warranted to test these assumptions.

Bornite Project – Environmental Considerations

The Bornite Project area includes NANA's Bornite and ANCSA lands, the Ruby Creek drainage (a tributary of the Shungnak River), the Shungnak River drainage, and portions of the Ambler Lowlands. Since 2008, baseline environmental data collection has occurred in the area including archaeology, aquatic life surveys, sediment sampling, wetlands mapping, surface water quality sampling, hydrology, meteorological monitoring, and subsistence. Additional baseline environmental data in NANA's Bornite and ANCSA lands, Ruby Creek drainage, Shungnak River drainage, portions of the Ambler Lowlands, and downstream receiving environments will be required to support future mine design, development of an EIS, permitting, construction and operations.

Bornite Project – Mining Operations

The Bornite Project is not currently in production; for contemplated exploration or development activities see above.

Bornite Project – Exploration and Development Permitting

Development of the Bornite Project will require a significant number of permits and authorizations from state, federal, and regional organizations. Much of the groundwork to support a successful permitting effort must be conducted before permit applications are submitted so that issues can be identified and resolved, baseline data can be acquired, and regulators and stakeholders can become familiar with the proposed project. The comprehensive permitting process for the Bornite Project can be divided into three categories:

1. Exploration state/regional permitting phase: required to obtain approval for drilling, camp operations, engineering, and environmental baseline studies.

2. Pre-application phase: conducted in conjunction with engineering feasibility studies. This stage includes the collection of environmental baseline data and interaction with stakeholders and regulators to facilitate the development of a project that can be successfully permitted.

3. The National Environmental Policy Act phase: formal agency review of the Federal and State requirements for public and agency participation to determine if and how the Bornite Project can be done in an acceptable manner.

The permit review process will determine the number of management plans required to address all aspects of the Project to ensure compliance with environmental design and permit criteria. Each plan will describe the appropriate environmental engineering standard and the applicable operations requirements, maintenance protocols, and response actions.

Glossary of Technical Terms

The following technical terms defined in this section are used throughout this Form 10-K:

"2D" is two dimensional.

"3D" is three dimensional.

"**AA**" is atomic absorption.

"**Ag**" is the chemical symbol for silver.

"**Ai**" is abrasion index.

"Al" is the chemical symbol for aluminum.

"**AMT**" is audio-magnetotelluric.

"**Au**" is the chemical symbol for gold.

"**BWi**" is bond ball mill work index.

"C" is the chemical symbol for carbon.

"Ca" is the chemical symbol for calcium.

“**CIM**” is the Canadian Institute of Mining, Metallurgy and Petroleum.

“**Co**” is the chemical symbol for cobalt.

“CSAMT” is controlled-source audio-frequency magnetotelluric.

“**Cu**” is the chemical symbol for copper.

“**CuEq**” is copper equivalent.

"**d/a**" is days per annum.

“**dilution**” is waste, which is unavoidably mined with ore.

“**dip**” is the angle of inclination of a geological feature/rock from the horizontal.

“**DIGHEM**” is a proprietary geophysical survey system.

“DPG” is deep penetrating geochemistry.

“**EM**” is electromagnetic.

“**fault**” is the surface of a fracture along which movement has occurred.

“Fe” is the chemical symbol for iron.

“**gangue**” are non-valuable components of the ore.

“**grade**” is the measure of concentration of metal within mineralized rock.

“**g**” is a gram.

“**g/t**” is grams per metric tonne.

“**ha**” is a hectare.

“HDS” is high density sludge.

“**ICP**” is induced couple plasma.

“**ICP-MS**” is inductively coupled plasma-mass spectroscopy.

“**ICP-AES**” is inductively coupled plasma-atomic emission spectroscopy.

“IP” is induced polarization.

“**IRR**” is internal rate of return.

“K” is the chemical symbol for potassium.

“**km**” is a kilometer.

“**kWhr**” is kilowatt hours.

“**kV**” is a kilovolt.

“**LOM**” is the life-of-mine.

“**LiDAR**” is light detection and ranging.

“**µm**” is a micron or mircrometer and is one millionth of a meter.

“**m**” is a meter.

“**Ma**” is million years.

“masl” is meters above sea level.

“Mg” is the chemical symbol for magnesium.

“**ML/ARD**” is metal leaching and acid rock drainage.

“**mm**” is a millimeter.

“**Mm^3**” is million cubic meters.

“**MS**” is massive sulphide.

“**Mt/a**” is million tonnes per annum.

“**MW**” is million watts.

“**NPV**” is net present value.

“NSAMT” is natural source audio-magnetotelluric.

“**NSR**” is net smelter return

“**ounce**” or “**oz**” is a troy ounce.

“**Pb**” is the chemical symbol for lead.

“**ppm**” is parts per million.

“**QA/QC**” is quality assurance and quality control.

“**SAG**” is semi-autogenous grind.

“**SeWTP**” is a selenium water treatment plant.

“**SG**” is specific gravity.

“**SMS**” is semi-massive sulphide.

“**strike**” is the duration of line formed by the intersection of strata surfaces within the horizontal plane, always perpendicular to the dip direction.

“**tailings**” is the finely ground waste rock from which valuable minerals or metals have been extracted.

“**TMF**” is a tailings management facility.

“**tonne"** or "t” is a metric tonne: 1,000 kilograms or 2,204.6 pounds.

“**t/d**” is tonnes per day.

“**VMS**” is volcanogenic massive sulphide.

“**WRCP**” is a waste rock collection pond.

“**WRF**” is a waste rock facility.

“**WTP**” is a water treatment plan.

“**XRF**” is x-ray fluorescence spectroscopy.

“**Zn**” is the chemical symbol for zinc.

Item 3. LEGAL PROCEEDINGS

From time to time, we are a party to routine litigation and proceedings that are considered part of the ordinary course of business. We are not aware of any material current, pending, or threatened litigation. There are no material proceedings pursuant to which any of our directors, officers or affiliates or any owner of record or beneficial owner of more than 5% of our securities or any associate of any such director, officer or security holder is a party adverse to us or has a material interest adverse to us.

Item 4. MINE SAFETY DISCLOSURES

Operations are subject to regulation by the Federal Mine Safety and Health Administration (“MSHA”) under the Federal Mine Safety and Health Act of 1977 (the “Mine Act”). At our current stage of exploration, we are not yet subject to MSHA.

Companies required to file periodic reports under the Exchange Act, that operate mines regulated under the Mine Act are required to make certain disclosures pursuant to Section 1503(a) of Dodd-Frank. We have nothing to disclose pursuant to Section 1503(a) of Dodd-Frank for the fiscal year ended November 30, 2021.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The Company's common stock is traded on the TSX and the NYSE American under the symbol "TMQ". As of February 11, 2022, there were 1,457 registered holders of our Common Shares.

Dividend Policy

We have not declared or paid any dividends on our Common Shares. Our current business plan requires that for the foreseeable future, any future earnings be reinvested to finance the growth and development of our business. We will not declare or pay any dividends until such time as our cash flow exceeds our capital requirements and will depend upon, among other things, conditions then existing including earnings, financial condition, restrictions in financing arrangements, business opportunities and conditions and other factors, or our Board determines that our shareholders could make better use of the cash.

Unregistered Sales of Equity Securities

None.

Repurchase of Securities

During fiscal year 2021, neither Trilogy nor any affiliate of Trilogy repurchased Trilogy Common Shares.

Exchange Controls

There are no governmental laws, decrees or regulations in Canada that restrict the export or import of capital, including foreign exchange controls, or that affect the remittance of dividends, interest or other payments to non-resident holders of the securities of Trilogy, other than Canadian withholding tax.

Certain Canadian Federal Income Tax Considerations for U.S. Holders

The following is a general summary of the principal Canadian federal income tax considerations generally applicable under *Income Tax Act* (Canada) (the "Tax Act") to a holder of Common Shares, each of whom, at all relevant times, for the purposes of the Tax Act, holds such Common Shares as capital property, deals at arm's length with the Company, is not affiliated with the Company and, for purposes of the Tax Act, is not, is not deemed to be, a resident of Canada and has not and will not use or hold or be deemed to use or hold the Common Shares in the course of carrying on business in Canada (a "Non-Resident Holder") and is not a "specified shareholder" (as defined in subsection 18(15) of the Tax Act. A "specified shareholder" for these purposes generally includes a person who (either alone or together with persons with whom that person is not dealing at arm's length for purposes of the Tax Act) owns or has the right to acquire or control 25% or more of the Common Shares determined on a votes or fair market value basis. Special rules, which are not discussed below, may apply to a non-resident of Canada that is an insurer which carries on business in Canada and elsewhere.

The Common Shares will generally be considered capital property to a Non-Resident Holder unless either (i) the Non-Resident Holder holds the Common Shares in the course of carrying on a business of buying and selling securities or (ii) the Non-Resident Holder has acquired the Common Shares in a transaction or transactions considered to be an adventure or concern in the nature of trade.

The term "U.S. Holder," for the purposes of this section, means a Non-Resident Holder who, for purposes of the *Canada-United States Tax Convention* (1980) as amended, (the "Convention"), is at all relevant times a resident of the United

States and is a "qualifying person" within the meaning of the Convention. In some circumstances, fiscally transparent entities (including limited liability companies) will be entitled to benefits under the Convention. U.S. Holders are urged to consult with their own tax advisors to determine their entitlement to benefits under the Convention based on their particular circumstances.

This summary is based on the current provisions of the Tax Act, the regulations thereunder (the "Regulations"), the current provisions of the Convention, counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "CRA") publicly available prior to the date hereof. This summary also takes into account all specific proposals to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (collectively, the "Proposed Tax Amendments"). No assurances can be given that the Proposed Tax Amendments will be enacted or will be enacted as proposed. Other than the Proposed Tax Amendments, this summary does not take into account or anticipate any changes in law or the administration policies or assessing practice of CRA, whether by judicial, legislative, governmental or administrative decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Non-Resident Holder and no representations with respect to the income tax consequences to any particular Non-Resident Holder are made. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, Non-Resident Holders should consult their own tax advisors with respect to their own particular circumstances. The discussion below is qualified accordingly.

Currency Conversion

Subject to certain exceptions that are not discussed herein, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Common Shares, including dividends, adjusted cost base and proceeds of dispositions must be determined in Canadian dollars using the daily exchange rate of the Bank of Canada on the particular date the particular amount arose or such other rate of exchange as acceptable to the CRA.

Disposition of Common Shares

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Holder on a disposition of the Common Shares, nor will capital losses arising from the disposition be recognized under the Tax Act, unless the Common Shares constitute "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention. As long as the shares are then listed on a "designated stock exchange" (as defined in the Tax Act) (which currently includes the TSX and the NYSE American) at the time of disposition, the Common Shares generally will not constitute taxable Canadian property of a Non-Resident Holder, unless at any time during the 60-month period immediately preceding the disposition the following two conditions are met concurrently: (i) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm's length, partnerships in which the Non-Resident Holder or persons with whom the Non-Resident Holder did not deal at arm's length holds a membership interest directly or indirectly through one or more partnerships, or the Non-Resident Holder together with all such persons, owned or was considered to own 25% or more of the issued shares of any class or series of shares of the capital stock of the Company; and (ii) more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" (as defined in the Tax Act), "timber resource properties" (as defined in the Tax Act) or a options in respect of, or interests in, or civil law rights in, such properties, whether or not it exists.

If the Common Shares are taxable Canadian property to a Non-Resident Holder, any capital gain realized on the disposition or deemed disposition of such shares, may not be subject to Canadian federal income tax pursuant to the terms of an applicable income tax treaty or convention between Canada and the country of residence of a Non-Resident Holder, including the Convention.

A Non-Resident Holder whose shares are taxable Canadian property should consult their own advisors.

Dividends on Common Shares

Under the Tax Act, dividends on Common Shares paid or credited to a Non-Resident Holder will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividends. This withholding tax may be reduced pursuant to the terms of an applicable income tax treaty or convention between Canada and the country of residence of a Non-Resident Holder. Under the Convention, a U.S. Holder will generally be subject to Canadian withholding tax at a rate of 15% of the gross amount of such dividends (or 5% in the case of a U.S. Holder that is a company beneficially owning at least 10% of the Company's voting shares). In addition, under the Convention, dividends may be exempt from Canadian non-resident withholding tax if paid to certain U.S. Holders that are qualifying religious, scientific, literary, educational or charitable tax-exempt organizations and qualifying trusts, companies, organizations or arrangements operated exclusively to administer or provide pension, retirement or employee benefits that are exempt from tax in the United States and that have complied with specific administrative procedures.

Certain U.S. Federal Income Tax Considerations

The following is a general summary of certain anticipated U.S. federal income tax considerations applicable to a U.S. Holder (as defined below) arising from and relating to the acquisition, ownership and disposition of Common Shares.

This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax considerations that may apply to a U.S. Holder as a result of acquisition of Common Shares. Furthermore, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax considerations applicable to such U.S. Holder of Common Shares. Except as specified below, this summary does not discuss applicable tax reporting requirements. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any U.S. Holder. U.S. Holders should consult their own tax advisors regarding the U.S. federal, U.S. state and local, and foreign tax consequences relating to the acquisition, ownership and disposition of Common Shares.

No ruling from the U.S. Internal Revenue Service (the "IRS") or legal opinion has been requested, or will be obtained, regarding the potential U.S. federal income tax considerations applicable to U.S. Holders as discussed in this summary. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the positions taken in this summary.

Scope of this Summary

Authorities

This summary is based on the U.S. Internal Revenue, as amended ("Code"), regulations promulgated by the Department of the Treasury (whether final, temporary or proposed) ("Treasury Regulations"), U.S. court decisions, published rulings and administrative positions of the IRS, and the Convention, that are applicable and, in each case, in effect as of the date of this document. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive or prospective basis, which could affect the U.S. federal income tax considerations described in this summary. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive basis.

U.S. Holders

For purposes of this section, a "U.S. Holder" is a beneficial owner of Common Shares that, for U.S. federal income tax purposes, is (a) an individual who is a citizen or resident of the United States for U.S. federal income tax purposes; (b) a corporation, or other entity classified as a corporation for U.S. federal income tax purposes, that is created or organized

in or under the laws of the United States or any state in the United States, including the District of Columbia; (c) an estate if the income of such estate is subject to U.S. federal income tax regardless of the source of such income; or (d) a trust if (i) such trust has validly elected to be treated as a U.S. person for U.S. federal income tax purposes, or (ii) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of such trust.

Non-U.S. Holders

For purposes of this summary, a "Non-U.S. Holder" is a beneficial owner of Common Shares that is neither a U.S. Holder nor a U.S. partnership (or other "pass-through" entity). This summary does not address the U.S. federal income tax considerations applicable to Non-U.S. Holders relating to the acquisition, ownership and disposition of Common Shares. Accordingly, Non-U.S. Holders should consult their own tax advisors regarding the U.S. federal, U.S. state and local, and foreign tax consequences (including the potential application of and operation of any tax treaties) relating to the acquisition, ownership, and disposition of Common Shares.

U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed

This summary does not address the U.S. federal income tax considerations applicable to U.S. Holders that are subject to special provisions under the Code, including (a) U.S. Holders that are tax-exempt organizations, qualified retirement plans, individual retirement accounts or other tax-deferred accounts; (b) U.S. Holders that are financial institutions, underwriters, insurance companies, real estate investment trusts or regulated investment companies or that are broker-dealers, dealers, or traders in securities or currencies that elect to apply a mark-to-market accounting method; (c) U.S. Holders that have a "functional currency" other than the U.S. dollar; (d) U.S. Holders that own Common Shares as part of a straddle, hedging transaction, conversion transaction, constructive sale or other arrangement involving more than one position; (e) U.S. Holders that acquired Common Shares in connection with the exercise of employee stock options or otherwise as compensation for services; (f) U.S. Holders that hold Common Shares other than as a capital asset (generally property held for investment purposes) within the meaning of Section 1221 of the Code; (g) U.S. Holders that are required to accelerate the recognition of any item of gross income with respect to Common Shares as a result of such income being recognized on an applicable financial statement; (h) U.S. Holders that own, directly, indirectly or by attribution, 10% or more, by voting power or value, of the outstanding shares of the Company; (i) are partnerships and other pass-through entities (and investors in such partnerships and entities); (j) are U.S. expatriates or former long-term residents of the United States; or (k) are subject to taxing jurisdictions other than, or in addition to, the United States. U.S. Holders and others that are subject to special provisions under the Code, including U.S. Holders described immediately above, should consult their own tax advisors.

If an entity that is classified as a partnership (or other "pass-through" entity) for U.S. federal income tax purposes holds Common Shares, the U.S. federal income tax consequences applicable to such partnership (or "pass-through" entity) and the partners of such partnership (or owners of such "pass-through" entity) generally will depend on the activities of the partnership (or "pass-through" entity) and the status of such partners (or owners). Partners of entities that are classified as partnerships (and owners of "pass-through" entities) for U.S. federal income tax purposes should consult their own tax advisors regarding the U.S. federal income tax consequences relating to the acquisition, ownership and disposition of Common Shares.

Tax Consequences Other than U.S. Federal Income Tax Consequences Not Addressed

This summary does not address the U.S. state and local, U.S. estate and gift, U.S. federal net investment income, U.S. alternative minimum tax, or foreign tax consequences to U.S. Holders relating to the acquisition, ownership, and disposition of Common Shares. Each U.S. Holder should consult its own tax advisor regarding the U.S. state and local, U.S. estate and gift, U.S. federal net investment income, U.S. federal alternative minimum tax and foreign tax consequences relating to the acquisition, ownership, and disposition of Common Shares.

U.S. Federal Income Tax Consequences of the Acquisition, Ownership and Disposition of Common Shares

Distributions on Common Shares

Subject to the PFIC rules discussed below, a U.S. Holder that receives a distribution, including a constructive distribution, with respect to a Common Share will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to the extent of the current or accumulated "earnings and profits" of the Company, as computed for U.S. federal income tax purposes. To the extent that a distribution exceeds the current and accumulated "earnings and profits" of the Company, such distribution will be treated first as a tax-free return of capital to the extent of a U.S. Holder's tax basis in the Common Shares and thereafter as a gain from the sale or exchange of such Common Shares (see "*Sale or Other Taxable Disposition of Common Shares*" below). However, the Company does not intend to maintain the calculations of earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder should therefore assume that any distribution by the Company with respect to the Common Shares will constitute ordinary dividend income. Subject to applicable limitations, dividends paid by the Company to non-corporate U.S. Holders, including individuals, generally will be eligible for the preferential tax rates applicable to long-term capital gains for dividends, provided certain holding period and other conditions are satisfied, including that the Company not be classified as a PFIC (as discussed below) in the tax year of distribution or in the preceding tax year. Dividends received on Common Shares by corporate U.S. Holders will not be eligible for the "dividends received deduction". The dividend rules are complex, and each U.S. Holder should consult its own tax advisor regarding the application of such rules.

Sale or Other Taxable Disposition of Common Shares

Subject to the PFIC rules discussed below, upon the sale or other taxable disposition of Common Shares a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between (a) the amount of cash plus the fair market value of any property received and (b) its tax basis in such Common Shares sold or otherwise disposed of. Such gain generally will be treated as "U.S. source" for purposes of applying the U.S. foreign tax credit rules unless the gain is subject to tax in Canada and is re-sourced as "foreign source" under the Convention and such U.S. Holder elects to treat such gain or loss as "foreign source" (see a more detailed discussion at "*Foreign Tax Credit*" below). Any such gain or loss generally will be capital gain or loss, which will be long-term capital gain or loss if, at the time of the sale or other disposition, such Common Shares are held for more than one year. Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the Code.

Foreign Tax Credit

Subject to the PFIC rules discussed below, a U.S. Holder that pays (whether directly or through withholding) Canadian income tax with respect to dividends paid on Common Shares generally will be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder's income that is subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year. The foreign tax credit rules are complex and involve the application of rules that depend on a U.S. Holder's particular circumstances. Accordingly, each U.S. Holder should consult its own U.S. tax advisors regarding the foreign tax credit rules.

Receipt of Foreign Currency

The amount of any distribution paid in foreign currency to a U.S. Holder in connection with the ownership of Common Shares, or on the sale, exchange or other taxable disposition of Common Shares, generally will be equal to the U.S. dollar value of such foreign currency based on the exchange rate applicable on the date of actual or constructive receipt (regardless of whether such foreign currency is converted into U.S. dollars at that time). If the foreign currency received

is not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. A U.S. Holder that receives foreign currency and converts such foreign currency into U.S. dollars at a conversion rate other than the rate in effect on the date of receipt may have a foreign currency exchange gain or loss, which generally would be treated as U.S. source ordinary income or loss for foreign tax credit purposes. Different rules apply to U.S. Holders who use the accrual method of tax accounting. U.S. Holders should consult their own U.S. tax advisors regarding the U.S. federal income tax consequences of receiving, owning and disposing of foreign currency.

Passive Foreign Investment Company Rules

If the Company is considered a PFIC within the meaning of Section 1297 of the Code at any time during a U.S. Holder's holding period, then certain different and potentially adverse tax consequences would apply to such U.S. Holder's acquisition, ownership and disposition of Common Shares.

PFIC Status of the Company

The Company generally will be a PFIC if, for a given tax year, (a) 75% or more of the gross income of the Company for such tax year is passive income or (b) 50% or more of the assets held by the Company either produce passive income or are held for the production of passive income, based on the fair market value of such assets. "Gross income" generally includes all revenues less the cost of goods sold plus income from investments and from incidental or outside operations or sources, and "passive income" includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. Active business gains arising from the sale of commodities generally are excluded from passive income if substantially all of a foreign corporation's commodities are stock in trade or inventory, depreciable property used in a trade or business, or supplies regularly used or consumed in a trade or business, and certain other requirements are satisfied.

For purposes of the PFIC income test and asset test described above, if the Company owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, the Company will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation. In addition, for purposes of the PFIC income test and asset test described above, "passive income" does not include any interest, dividends, rents or royalties that are received or accrued by the Company from a "related person" (as defined in Section 954(d)(3) of the Code), to the extent such items are properly allocable to the income of such related person that is not passive income.

Under certain attribution rules, if the Company is a PFIC, U.S. Holders will be deemed to own their proportionate share of any subsidiary of the Company which is also a PFIC (a "Subsidiary PFIC"), and will be subject to U.S. federal income tax on (a) a distribution on the shares of a Subsidiary PFIC and (b) a disposition of shares of a Subsidiary PFIC, both as if the U.S. Holder directly held the shares of such Subsidiary PFIC.

The Company believes that it was not a PFIC for the tax years ended November 30, 2015, 2016, 2017, 2020 and 2021. The Company believes it was a PFIC for the tax years ended November 30, 2018 and 2019 and may be a PFIC in future tax years. No opinion of legal counsel or ruling from the IRS concerning the status of the Company as a PFIC has been obtained or is currently planned to be requested. The determination of whether the Company (or a subsidiary of the Company) was, or will be, a PFIC for a tax year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether the Company (or subsidiary) will be a PFIC for any tax year depends on the assets and income of the Company (and each such subsidiary) over the course of each such tax year and, as a result, cannot be predicted with certainty as of the date of this document. Accordingly, there can be no assurance that the IRS will not challenge any determination made by the Company (or subsidiary) concerning its PFIC status or that the Company (and any subsidiary) was not, or will not be, a PFIC for any tax year. U.S. Holders should consult their own tax advisors regarding the PFIC status of the Company and any subsidiary of the Company.

Default PFIC Rules under Section 1291 of the Code

If the Company is a PFIC, the U.S. federal income tax consequences to a U.S. Holder of the acquisition, ownership and disposition of Common Shares will depend on whether such U.S. Holder makes a QEF election or makes a mark-to-market election under Section 1296 of the Code (a "Mark-to-Market Election") with respect to Common Shares. A U.S. Holder that does not make either a QEF Election or a Mark-to-Market Election will be referred to in this summary as a "Non-Electing U.S. Holder".

A Non-Electing U.S. Holder will be subject to the rules of Section 1291 of the Code with respect to (a) any gain recognized on the sale or other taxable disposition of Common Shares and (b) any excess distribution paid on the Common Shares. A distribution generally will be an "excess distribution" to the extent that such distribution (together with all other distributions received in the current tax year) exceeds 125% of the average distributions received during the three preceding tax years (or during a U.S. Holder's holding period for the Common Shares, if shorter).

If the Company is a PFIC, under Section 1291 of the Code any gain recognized on the sale or other taxable disposition of Common Shares (including an indirect disposition of shares of a Subsidiary PFIC), and any excess distribution paid on Common Shares (or a distribution by a Subsidiary PFIC to its shareholder that is deemed to be received by a U.S. Holder) must be ratably allocated to each day of a Non-Electing U.S. Holder's holding period for the Common Shares. The amount of any such gain or excess distribution allocated to the tax year of disposition or excess distribution and to years before the Company became a PFIC, if any, would be taxed as ordinary income. The amounts allocated to any other tax year would be subject to U.S. federal income tax at the highest tax applicable to ordinary income in each such year, and an interest charge would be imposed on the tax liability for each such year, calculated as if such tax liability had been due in each such year. A Non-Electing U.S. Holder that is not a corporation must treat any such interest paid as "personal interest", which is not deductible.

If the Company is a PFIC for any tax year during which a Non-Electing U.S. Holder holds Common Shares, the Company will continue to be treated as a PFIC with respect to such Non-Electing U.S. Holder, regardless of whether the Company ceases to be a PFIC in one or more subsequent years. If the Company ceases to be a PFIC, a Non-Electing U.S. Holder may terminate this deemed PFIC status with respect to Common Shares by electing to recognize gain (which will be taxed under the rules of Section 1291 of the Code discussed above) as if such Common Shares were sold on the last day of the last tax year for which the Company was a PFIC.

Under proposed Treasury Regulations, if a U.S. Holder has an option, warrant or other right to acquire stock of a PFIC, such option, warrant or right is considered to be PFIC stock subject to the default rules of Section 1291 of the Code. Under rules described below, if the Company was a PFIC, the holding period for the option, warrant or other right would begin on the day after the date a U.S. Holder acquired the option, warrant or other right. This would impact the availability of the QEF Election and Mark-to-Market Election with respect to an option, warrant or other right. Thus, a U.S. Holder would have to account for an option, warrant or other right and Common Shares under the PFIC rules and the applicable elections differently (see discussion below under "*QEF Election*" and "*Market-to-Market Election*".)

QEF Election

In the event the Company is a PFIC and a U.S. Holder makes a QEF Election for the first tax year in which its holding period of its Common Shares begins, such U.S. Holder generally will not be subject to the rules of Section 1291 of the Code discussed above with respect to its Common Shares. However, a U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such U.S. Holder's pro rata share of (a) the net capital gain of the Company, which will be taxed as long-term capital gain to such U.S. Holder, and (b) the ordinary earnings of the Company, which will be taxed as ordinary income to such U.S. Holder. Generally, "net capital gain" is the excess of (a) net long-term capital gain over (b) net short-term capital gain, and "ordinary earnings" are the excess of (a) "earnings and profits" over (b) net capital gain. A U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such amounts for each tax year in which the Company is a PFIC, regardless of whether such amounts are actually distributed to such U.S. Holder by the Company. However, a U.S. Holder that makes a QEF Election may, subject to certain limitations, elect to defer

payment of current U.S. federal income tax on such amounts, subject to an interest charge. If such U.S. Holder is not a corporation, any such interest paid will be treated as "personal interest", which is not deductible.

A U.S. Holder that makes a QEF Election generally (a) may receive a tax-free distribution from the Company to the extent that such distribution represents "earnings and profits" of the Company that were previously included in income by the U.S. Holder because of such QEF Election and (b) will adjust such U.S. Holder's tax basis in the Common Shares to reflect the amount included in income or allowed as a tax-free distribution because of such QEF Election. In addition, a U.S. Holder that makes a QEF Election generally will recognize capital gain or loss on the sale or other taxable disposition of Common Shares.

The procedure for making a QEF Election, and the U.S. federal income tax consequences of making a QEF Election, will depend on whether such QEF Election is timely. A QEF Election will be treated as "timely" if it is made for the first year in the U.S. Holder's holding period for the Common Shares in which the Company was a PFIC. A U.S. Holder may make a timely QEF Election by filing the appropriate QEF Election documents at the time such U.S. Holder files a U.S. federal income tax return for such year.

A QEF Election will apply to the tax year for which such QEF Election is made and to all subsequent tax years, unless such QEF Election is invalidated or terminated or the IRS consents to revocation of such QEF Election. If a U.S. Holder makes a QEF Election and, in a subsequent tax year, the Company ceases to be a PFIC, the QEF Election will remain in effect (although it will not be applicable) during those tax years in which the Company is not a PFIC. Accordingly, if the Company becomes a PFIC in a subsequent tax year, the QEF Election will be effective, and the U.S. Holder will be subject to the QEF rules described above during a subsequent tax year in which the Company qualifies as a PFIC.

As discussed above, under proposed Treasury Regulations, if a U.S. Holder has an option, warrant or other right to acquire stock of a PFIC, such option, warrant or right is considered to be PFIC stock subject to the default rules of Section 1291 of the Code on its disposition. However, a holder of an option, warrant or other right to acquire stock of a PFIC may not make a QEF Election that will apply to the option, warrant or other right to acquire PFIC stock. In addition, under proposed Treasury Regulations, if a U.S. Holder holds an option, warrant or other right to acquire stock of a PFIC, the holding period with respect to shares of stock of the PFIC acquired upon exercise of such option, warrant or other right will include the period that the option, warrant or other right was held. U.S. Holders should consult their own tax advisors regarding the application of the PFIC rules to Common Shares.

The Company will make available to U.S. Holders, upon their written request, information as to its status as a PFIC, as reasonably determined by the Company, and will provide to a U.S. Holder all information and documentation that a U.S. Holder making a QEF Election with respect to the Company is required to obtain for U.S. federal income tax purposes in the event it is a PFIC. However, U.S. Holders should be aware that the Company can provide no assurances that it will provide any such information relating to any Subsidiary PFIC. Because the Company may own shares in one or more Subsidiary PFICs and may acquire shares in one or more Subsidiary PFICs in the future, they will continue to be subject to the rules discussed above with respect to the taxation of gains and excess distributions with respect to any Subsidiary PFIC for which the U.S. Holders do not obtain the required information to file a QEF Election. U.S. Holders should consult their own tax advisor regarding the availability of, and procedure for making, a QEF Election with respect to the Company and any Subsidiary PFIC.

Mark-to-Market Election

A U.S. Holder may make a Mark-to-Market Election only if the Common Shares are marketable stock. The Common Shares generally will be "marketable stock" if they are regularly traded on (a) a national securities exchange that is registered with the SEC; (b) the national market system established pursuant to section 11A of the Securities and Exchange Act of 1934; or (c) a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located, provided that (i) such foreign exchange has trading volume, listing, financial disclosure and other requirements and the laws of the country in which such foreign exchange is located, together with the rules of such foreign exchange, ensure that such requirements are actually enforced; and (ii) the rules of such foreign

exchange ensure active trading of listed stocks. If such stock is traded on such a qualified exchange or other market, such stock generally will be "regularly traded" for any calendar year during which such stock is traded, other than in de minimus quantities, on at least 15 days during each calendar quarter. Each U.S. Holder should consult its own tax advisor regarding whether the Common Shares constitute marketable stock.

A U.S. Holder that makes a Mark-to-Market Election with respect to its Common Shares generally will not be subject to the rules of Section 1291 of the Code discussed above. However, if a U.S. Holder does not make a Mark-to-Market Election beginning in the first tax year of such U.S. Holder's holding period for Common Shares or such U.S. Holder has not made a timely QEF Election, the rules of Section 1291 of the Code discussed above will apply to certain dispositions of, and distributions on, the Common Shares.

A U.S. Holder that makes a Mark-to-Market Election will include in ordinary income, for each tax year in which the Company is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the Common Shares, as of the close of such tax year over (b) such U.S. Holder's tax basis in such Common Shares. A U.S. Holder that makes a Mark-to-Market Election will be allowed a deduction in an amount equal to the excess, if any, of (i) such U.S. Holder's adjusted tax basis in the Common Shares over (ii) the fair market value of such Common Shares (but only to the extent of the net amount of previously included income as a result of the Mark-to-Market Election for prior tax years).

U.S. Holders that make a Mark-to-Market Election generally also will adjust their tax basis in the Common Shares to reflect the amount included in gross income or allowed as a deduction because of such Mark-to-Market Election. In addition, upon a sale or other taxable disposition of Common Shares, a U.S. Holder that makes a Mark-to-Market Election will recognize ordinary income or loss (not to exceed the excess, if any, of (a) the amount included in ordinary income because of such Mark-to-Market Election for prior tax years over (b) the amount allowed as a deduction because of such Mark-to-Market Election for prior tax years).

A Mark-to-Market Election applies to the tax year in which such Mark-to-Market Election is made and to each subsequent tax year, unless the Common Shares cease to be "marketable stock" or the IRS consents to revocation of such election. U.S. Holders should consult their own tax advisors regarding the availability of, and procedure for making, a Mark-to-Market Election.

Although a U.S. Holder may be eligible to make a Mark-to-Market Election with respect to Common Shares, no such election may be made with respect to the stock of any Subsidiary PFIC that a U.S. Holder is treated as owning because such stock is not marketable. Hence, the Mark-to-Market Election will not be effective to eliminate the interest charge described above with respect to deemed dispositions of Subsidiary PFIC stock or distributions from a Subsidiary PFIC.

Other PFIC Rules

Under Section 1291(f) of the Code, the IRS has issued proposed Treasury Regulations that, subject to certain exceptions, would cause a U.S. Holder that had not made a timely QEF Election to recognize gain (but not loss) upon certain transfers of Common Shares that would otherwise be tax-deferred (e.g., gifts and exchanges pursuant to corporate reorganizations) in the event the Company is a PFIC during such U.S. Holder's holding period for the relevant shares. However, the specific U.S. federal income tax consequences to a U.S. Holder may vary based on the manner in which Common Shares are transferred.

Certain additional adverse rules will apply with respect to a U.S. Holder if the Company is a PFIC, regardless of whether such U.S. Holder makes a QEF Election. For example, under Section 1298(b)(6) of the Code, a U.S. Holder that uses Common Shares as security for a loan will, except as may be provided in Treasury Regulations, be treated as having made a taxable disposition of such Common Shares.

In any year in which the Company is classified as a PFIC, a U.S. Holder will be required to file an annual report with the IRS containing such information as Treasury Regulations and/or other IRS guidance may require. U.S. Holders should consult their own tax advisors regarding the requirements of filing such information returns under these rules, including the requirement to file an IRS Form 8621.

In addition, a U.S. Holder who acquires Common Shares from a decedent will not receive a "step up" in tax basis of such Common Shares to fair market value unless such decedent had a timely and effective QEF Election in place.

Special rules also apply to the amount of foreign tax credit that a U.S. Holder may claim on a distribution from a PFIC.

The PFIC rules are complex, and U.S. Holders should consult their own tax advisors regarding the PFIC rules and how they may affect the U.S. federal income tax consequences of the acquisition, ownership, and disposition of Common Shares in the event the Company is a PFIC at any time during such holding period for such Common Shares.

Information Reporting, Backup Withholding Tax

Certain U.S. Holders are required to report information relating to an interest in Common Shares subject to certain exceptions (including an exception for Common Shares held in accounts maintained by certain financial institutions), by attaching a completed IRS Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they hold an interest in Common Shares. U.S. Holders should consult their own tax advisors regarding information reporting requirements relating to their ownership of Common Shares.

Payments made within the United States, or by a U.S. payor or U.S. middleman, of dividends on Common Shares, and proceeds arising from certain sales or other taxable dispositions of Common Shares, may be subject to information reporting and backup withholding tax, at the rate of 24%, if a U.S. Holder (a) fails to furnish such U.S. Holder's correct U.S. social security or other taxpayer identification number (generally on Form W-9); (b) furnishes an incorrect U.S. taxpayer identification number; (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding tax; or (d) fails under certain circumstances to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, U.S. Holders that are corporations generally are excluded from these information reporting and backup withholding tax rules. Backup withholding is not an additional tax. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder timely furnishes the required information to the IRS. U.S. Holders should consult their own tax advisors regarding the information reporting and backup withholding tax rules.

Item 6. Selected Financial Data

NA

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

This Management's Discussion and Analysis ("MD&A") of Trilogy Metals Inc. ("Trilogy", "the Company", "us" or "we") is dated February 10, 2022 and provides an analysis of our audited financial results for the year ended November 30, 2021 compared to the year ended November 30, 2020. A discussion of our year ended November 30, 2020 compared to November 30, 2019 is contained in our report on Form 10-K for the year ended Novemebr 30, 2020.

The following information should be read in conjunction with our November 30, 2021 audited consolidated financial statements and related notes which were prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP"). A summary of the U.S. GAAP accounting policies is outlined in note 2 of the audited consolidated financial statements. All amounts are in United States dollars unless otherwise stated. References to "Canadian dollars" and "C$" and "CDN$" are to the currency of Canada and references to "U.S. dollars", "$" or "US$" are to the currency of the United States.

Richard Gosse, P. Geo, is a Qualified Person under National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101"), and has approved the scientific and technical information in this MD&A.

Trilogy's shares are listed on the Toronto Stock Exchange ("TSX") and the NYSE American under the symbol "TMQ". Additional information related to Trilogy, including our annual report on Form 10-K, is available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

Description of business

We are a base metals exploration company focused on the exploration and development of mineral properties, through our equity investee, in the Ambler mining district located in Alaska, U.S.A. We conduct our operations through a wholly owned subsidiary, NovaCopper US Inc. which is doing business as Trilogy Metals US ("Trilogy Metals US"). Our Upper Kobuk Mineral Projects, ("UKMP" or "UKMP Projects") were contributed into a 50/50 joint venture named Ambler Metals LLC ("Ambler Metals") between Trilogy and South32 Limited ("South32") on February 11, 2020 (see below). The projects contributed to Ambler Metals consist of: i) the Ambler lands which host the Arctic copper-zinc-lead-gold-silver project (the "Arctic Project"); and ii) the Bornite lands being explored under a collaborative long-term agreement with NANA Regional Corporation, Inc. ("NANA"), a regional Alaska Native Corporation, which hosts the Bornite carbonate-hosted copper project (the "Bornite Project") and related assets. The Company also conducts early-stage exploration through a wholly owned subsidiary, 995 Exploration Inc.

Property review

The UKMP Projects are held by our equity investee, Ambler Metals of which Trilogy holds a 50% interest. The projects are located in the Ambler mining district in Northwest Alaska. The UKMP Projects comprise approximately 426,690 acres (172,675 hectares) consisting of the Ambler and Bornite lands.

Arctic Project

The Ambler lands, which host a number of deposits, including the high-grade copper-zinc-lead-gold-silver Arctic Project, and other mineralized occurrences within a 100-kilometer-long volcanogenic massive sulfide ("VMS") belt. The Ambler lands are located in Northwestern Alaska and consist of 185,805 acres (75,192 hectares) of Federal patented mining claims which hosts the Arctic deposit and State of Alaska mining claims which we are actively exploring, within which VMS mineralization has been found.

Prior to the formation of the Joint Venture on February 11, 2020, we had recorded the Ambler lands as a mineral property with acquisition costs capitalized and exploration costs expensed in accordance with our accounting policies.

Bornite Project

On October 19, 2011, Trilogy Metals US and NANA signed a collaborative agreement to explore and develop the Ambler mining district. Under the Exploration Agreement and Option to Lease (as amended, the "NANA Agreement"), we acquired, in exchange for, among other things, a $4.0 million cash payment to NANA, the exclusive right to explore the Bornite property and lands deeded to NANA through the Alaska Native Claims Settlement Act ("ANCSA"), located adjacent to the Arctic Project, and the non-exclusive right to access and entry onto NANA's lands. The NANA Agreement establishes a framework for any future development of either the Bornite Project or the Arctic Project. Both projects are included as part of a larger area of interest set forth in the NANA Agreement.

Upon the decision to proceed with development of a mine within the area of interest, NANA maintains the right to purchase an ownership interest in the mine equal to between 16%-25% or retain a 15% net proceeds royalty which is payable after we have recovered certain historical costs, including capital and cost of capital. Should NANA elect to purchase an ownership interest in the mine, consideration will be payable based on the elected percentage purchased and all the costs incurred on the properties less $40.0 million, not to be less than zero. The parties would form a joint venture and be responsible for all future costs incurred in connection with the mine, including capital costs of the mine, based on each party's pro-rata share.

NANA would also be granted a net smelter return royalty between 1% and 2.5% upon the execution of a mining lease or a surface use agreement, the amount of which is determined by the particular area of land from which production originates.

Prior to the formation of the Joint Venture on February 11, 2020, we had accounted for the Bornite property as a mineral property with acquisition costs capitalized and exploration costs expensed in accordance with our accounting policies.

Joint venture

Option agreement

On April 10, 2017, Trilogy and Trilogy Metals US entered into an Option Agreement to form a Joint Venture with South32 Group Operations Pty Ltd., a wholly-owned subsidiary of South32, which agreement was later assigned by South32 Operations Pty Ltd. to its affiliate, South32 USA Exploration Inc. on the UKMP ("Option Agreement"). Under the terms of the Option Agreement, as amended, Trilogy Metals US granted South32 the right to form a 50/50 joint venture to hold all of Trilogy Metals US' Alaskan assets. South32 exercised its option on December 19, 2019.

Formation of joint venture

On February 11, 2020, Trilogy completed the formation of the 50/50 joint venture with South32. Trilogy contributed all its assets associated with the 172,675-hectare UKMP, including the Arctic and Bornite Projects, while South32 contributed a subscription price of US$145 million (the "Subscription Price"), resulting in each party owning a 50% interest in Ambler Metals. The Subscription Price will be used to advance the Arctic and Bornite Projects, along with exploration in the Ambler mining district. With Ambler Metals being well funded, with access to $145 million, Trilogy does not expect to fund programs and budgets to advance the UKMP until the Subscription Price is spent by Ambler Metals. To assist Ambler Metals during the initial set up phase, Trilogy was paying all of Ambler Metals' invoices and being reimbursed pursuant to a services agreement (the "Services Agreement") between Trilogy and Ambler Metals until the back office was fully transitioned to a new permanent team employed by the Joint Venture in fiscal 2021. The Services Agreement ended on December 31, 2020.

To ensure a successful startup of the Joint Venture, management from Trilogy and South32 took on interim management roles. Darryl Steane, South32's Business Development Manager assumed the duties as Interim President of Ambler Metals; Elaine Sanders, Trilogy's Chief Financial Officer assumed the duties as Interim Vice President Finance of Ambler Metals; and Robert (Bob) Jacko, Trilogy's Senior Vice President Operations assumed the duties as Interim Vice President Operations of Ambler Metals. Prior to the end of fiscal 2020, the permanent management team at Ambler Metals was

hired and are all now based in Alaska. The joint venture company is led by President and Chief Executive Officer, Ramzi Fawaz, Vice President Operations, Kevin Torpy and Vice President Finance, Rebecca Donald. In addition to the appointment of the leadership team at Ambler Metals, the Trilogy technical team was also transitioned over to the joint venture entity during fiscal 2020.

Ambler Metals is an independently operated company, jointly controlled by Trilogy and South32 through a four-member board of which two members are currently appointed by Trilogy based on its 50% equity interest. All significant decisions related to the UKMP require the approval of both companies. We determined that Ambler Metals is a variable interest entity, or VIE, because it is expected to need additional funding from its owners for its significant activities. However, we concluded that we are not the primary beneficiary of Ambler Metals as the power to direct its activities, through its board, is shared under the limited liability company agreement. As we have significant influence over Ambler Metals through our representation on its board, we use the equity method of accounting for our investment in Ambler Metals. Our investment in Ambler Metals was initially measured at its fair value of $176 million upon recognition. Our maximum exposure to loss in this entity is limited to the carrying amount of our investment in Ambler Metals, which, as of November 30, 2021, totaled $160.1 million.

During the year ended November 31, 2020, Ambler Metals loaned $57.5 million back to South32 and retained $87.5 million of the $146 million contributed by South32. The loan has a 7-year maturity date. During fiscal 2021, Ambler Metals began to draw down on the loan with cash calls to South32 to fund their 50% share of the 2021 budget. The loan is secured by South32's membership interest in Ambler Metals and guaranteed by South32 International Investment Holdings Pty Ltd.

Project activities

Upper Kobuk Mineral Projects

In a press release dated May 17, 2021, the Company announced that Ambler Metals had finalized the details of the 2021 exploration field program at the UKMP for the previously approved $27 million exploration budget. The budget was 100% funded by Ambler Metals and included 7,600 meters of infill and metallurgical drilling at the Arctic Project as well as 7,000 meters of exploration drilling within the Ambler VMS Belt. The exploration program was aligned with a strategy developed by the Company and South32 which prioritized the exploration budget within the UKMP. The strategy defined a program that advances the highest priority projects and exploration targets, both VMS and Carbonate-Hosted Copper ("CHC"), ranging from early-stage geophysical anomalies that were identified during the 2019 airborne Versatile Time Domain Electromagnetic ("VTEM") survey to advanced VMS and CHC prospects with historical resources. The site camp opened on June 1, 2021 with the summer drill program completed on September 22, 2021.

Drilling productivity at the project was behind schedule during the 2021 field season due to adverse weather conditions in the district and challenges with the contractor staffing the drill rigs. As a result, a total of 7,325 meters of the originally planned drill program were completed. Despite the lower-than-expected drill productivity, all planned geotechnical drilling at the Arctic Project was completed and sufficient mineralized material was recovered to complete the planned metallurgical program.

Arctic Project

The 2021 field season plan for the Arctic Project focused on an additional 7,600 meters of drilling in order to extract additional material for metallurgical work and for the conversion of mineral resources into the measured category. The metallurgical program associated with this drilling was to support variability test work and pilot plant work. Technical activities at the Arctic Project commenced in early June with initial work focused on infill drilling to further improve the confidence of the Mineral Resources from the Indicated to Measured category. During the field season a total of 18 holes were completed at Arctic comprising 4,131 meters of core. All the core has been logged and sampled.

Regional Exploration Project

During the 2021 field season, two drill rigs were relocated from the Arctic Project to the Regional drilling program. Regional drilling was focused on near Arctic (“Arctic Hub”) exploration targets, with the goal of discovering nearby copper-rich satellite deposits within a 3-to-5-kilometer radius of the Arctic deposit. Drilling was completed at the Arctic East and Southeast Arctic targets before moving drills to investigate other targets within the UKMP, including Snow and the Ambler Lowlands. A total of 8 holes were completed totaling 3,194 meters.

In addition to the regional drill program, geologists also carried out regional geological mapping within the Ambler VMS belt. Traverses were completed along creeks within the Center of the Universe prospect, the DH prospect, and in Jackass Creek (between the DH and Cliff prospects), the Bud-Sunshine-West Dead Creek prospect cluster, Dead Creek, Pipe, and the Nora prospects.

Geochemical soil sampling is ongoing within the Cosmos Hills around Bornite and the Ambler VMS Belt. The goal of this program is to follow-up on previous anomalous geochemical results and to investigate geophysical anomalies that were identified during the 2019 airborne versatile time domain electromagnetic survey.

Arctic Mine Permitting

Arctic mine permitting preparation work was ongoing during fiscal 2021 for filing formal federal permitting documentation for the Arctic Project. An independent consulting company has completed a preparedness review of the draft permitting package for the Arctic Project and presented the results of this review to the technical teams of South32 and Trilogy. The review concluded that the Ambler Metals permitting strategy is sound and the permitting package can proceed with minor changes. Ambler Metals is now making the recommended changes to the permitting package and expects to file the permitting application, which expects to start the formal permitting process for the Arctic Project, with the United States Army Corps. of Engineers (“USACE”) in 2022. The Company expects the overall permitting process to take 24 to 30 months to be completed.

Ambler Mining District Industrial Access Project (“AMDIAP” or “Ambler Access Project”)

During the summer of 2020, the United States Bureau of Land Management ("BLM") issued the Joint Record of Decision ("JROD") for the AMDIAP. Lawsuits were filed shortly thereafter by a coalition of national and Alaska environmental non-government organizations in response to the BLM's issuance of the JROD for the Ambler Access Project.

On January 6, 2021, BLM, the National Park Service and AIDEA signed Right-of-Way agreements giving AIDEA the ability to cross federally owned and managed lands along the route for the Ambler Access Project approved in the JROD. The authorizing documents with the two agencies are the final federal permits required for the Ambler Access Project.

During the second quarter of 2021, AIDEA signed a land access agreement with Doyon Limited to conduct feasibility and permitting activities to advance the Ambler Access Project and in September 2021 AIDEA signed a land access agreement with NANA Regional Corporation, Inc. to conduct similar activities.

On October 27, 2021, the federal defendants were granted a 60-day stay with respect to each of the lawsuits. In its request for the stay, the DOJ stated that it was necessary to “accommodate review of this matter by officials within the United States Department of the Interior who have engaged in various discussions with multiple parties involving this matter and in government-to-government consultations with tribal entities”.

On February 7, 2022, the court granted a second request from the federal defendants for an extension to file their response to the plaintiff’s brief. Ambler Metals had opposed the extension request. The federal defendants are now required to file their response no later than February 22, 2022.

Development Funding Agreement regarding the Ambler Access Project with the Alaska Industrial Development and Export Authority

The 2021 field season for the Ambler Access Project consisted of cultural heritage work along the proposed 211-mile, east-west-running controlled industrial access road that would provide industrial access to the Ambler Mining District in Northwestern Alaska. The Alaska Industrial Development and Export Authority has prioritized cultural heritage work, aquatic habitat studies and geotechnical planning for this year's and next year's field seasons to progress the feasibility engineering and permitting work for the road. On August 9, 2021, the Governor of Alaska, Mike Dunleavy, visited the UKMP. During the visit, the Governor reiterated his strong support for the development of the Ambler Mining District and for the development of the Ambler Access Project. He also announced the formation of the Subsistence Advisory Committee Working Group which is to include Native stakeholders within the Northwest Arctic Borough and the Doyon Region who could be affected by the proposed road. This committee is being formed to develop the terms of reference for the formal Subsistence Advisory Committee that will provide guidance on subsistence and other matters for the design and operation of the road.

Early-stage exploration

During the year, the Company acquired, through staking, mineral claims located in Alaska, USA outside of the UKMP. During the 2021 field season, the Company executed a 10-day preliminary reconnaissance program of the claims to confirm government-mapped geology and to collect rock and stream sediment samples.

Outlook

On January 11, 2022, the Company announced the approval of the 2022 program and budget for Ambler Metals of approximately $28.5 million to advance the UKMP. The budget is fully funded by Ambler Metals. The 2022 budget for Ambler Metals, approved by the owners, Trilogy and South32, will cover up to 10,000 meters of helicopter-supported diamond drilling that is expected to commence in early June. The meterage will be divided between resource development drilling at Arctic and scout drilling of both VMS targets in the Ambler Belt, with a focus on targets near Arctic, and Carbonate-Hosted Copper targets around Bornite and the Cosmos Hills. A greater effort on the ground to identify and evaluate new targets for drilling, including the use of ground and down-hole electro-magnetic (EM) surveys, is planned.

On February 7, 2022, the Company announced the approval of the 2022 program and budget for the Ambler Access Project of approximately $30.8 million of which $15.4 million will be funded by AIDEA and $15.4 million will be funded by Ambler Metals. During the 2022 field season, AIDEA will be carrying out additional work including, geotechnical investigations, right-of-way surveys, environmental studies, road and bridge engineering design work, and cultural resources work.

The Company has approved a 2022 cash budget for corporate activities of approximately $5.5 million (2021 - $5.3 million). The corporate budget consists of personnel and related costs of $2.1 million (2021 - $2.0 million), professional fees of $0.9 million (2021 - $1.1 million), investor relations and marketing costs of $0.6 million (2021 - $0.6 million), office related costs of $0.5 million (2021 - $0.5 million), insurance costs of $0.5 million (2021 - $0.4 million), regulatory costs of $0.3 million (2021 - $0.3 million) and exploration activities of $0.15 million (2021 - Nil). The 2022 budget has increased slightly from the prior year due mainly to an increase in insurance costs, addition of exploration activities and foreign exchange impacts on Canadian dollar sourced amounts for personnel and office related costs. The Company's management team is focused on the oversight of our investment in Ambler Metals and will closely work with Ambler Metals. The Company's technical staff will work closely with South32's technical team and Ambler Metals exploration staff to review opportunities on advancing its known deposits and look at potential new targets in the large land package that is held by Ambler Metals. A significant amount of uncertainty continues to exist with the Company's annual renewal of its insurance policies and costs are currently unpredictable. Insurance premiums may differ significantly from our budget. The Company has sufficient cash on hand to fund its corporate activities including any increases in insurance premiums upon renewal.

Summary of results

in thousands of dollars, except for per share amounts

Selected expenses	Year ended November 30, 2021 $	Year ended November 30, 2020 $
Exploration expense	143	—
Mineral properties and feasibility study expenses	—	2,610
General and administrative	1,517	1,650
Investor relations	602	537
Professional fees	818	1,347
Salaries	2,007	1,411
Salaries – stock-based compensation	3,472	3,564
Gain on derecognition of assets contributed to joint venture	—	(175,770)
Share of loss on equity investment	13,082	2,855
Comprehensive earnings (loss) for the year	(21,660)	161,767
Basic earnings (loss) per common share	(0.15)	1.14
Diluted earnings (loss) per common share	(0.15)	1.12

For the year ended November 30, 2021, we reported a net loss of $21.7 million (or $0.15 basic and diluted loss per common share) compared to a net earnings of $161.8 million (or $1.14 basic earnings and $1.12 diluted earnings per common share) in fiscal 2020. The $183.4 million decrease in comprehensive earnings in the current year, when compared to fiscal 2020, is primarily due to the $175.8 million gain on the derecognition of assets contributed to the joint venture during fiscal 2020. This variance is offset by $2.6 million in mineral property and feasibility study expenses incurred in 2020 that were not incurred during 2021. Adding to the variances in 2021 were an increase of $10.2 million in our 50% share of the joint venture's net operating loss and an increase of $0.6 million in salaries, offset by a decrease of $0.5 million in professional fees. Our share of loss on equity investment was higher versus the 2020 comparative due to project related drill program costs incurred by Ambler Metals during the 2021 field season. These costs were not incurred during the prior year as the 2020 field season had been cancelled due to the COVID-19 pandemic. The increase in salaries reflects the additions to the executive team during the third quarter of 2020. Professional fees were higher in 2020 due to one-time charges incurred for the implementation of new accounting standards and legal and accounting fees in relation to the formation of the joint venture. Additionally, the Company incurred exploration costs of $0.1 million for a preliminary reconnaissance program on new mineral claims that were staked outside of the UKMP during fiscal 2021.

Fourth quarter results

During the fourth quarter of 2021, we incurred a loss of $6.1 million compared to a loss of $3.2 million in the fourth quarter of 2020. The primary drivers for the difference were as follows: a) an increase of $3.2 million in our share of loss on equity investment as the current quarter results include project activity costs that Ambler Metals incurred for completing the 2021 drill program as well as pre-development costs for the Ambler Access Project for which there are no prior year fourth quarter comparatives; b) $0.1 million lower professional fees as the comparative includes additional legal fees for corporate matters and tax consulting fees; and c) $0.1 million lower stock-based compensation as the comparative includes a Restricted Share Unit ("RSU") grant that vested during the fourth quarter of 2020. There were no RSUs granted during 2021.

Selected financial data

Annual information

The following annual information is prepared in accordance with U.S. GAAP.

in thousands of dollars

	Year ended November 30, 2021 $	Year ended November 30, 2020 $
Interest income	16	87
Services agreement income	22	929
Expenses	8,616	12,164
Comprehensive (loss) earnings for the year	(21,660)	161,767
Total assets	167,305	185,265
Total liabilities	1,266	1,454

Quarterly information

in thousands of dollars, except per share amounts

	Q4 2021 11/30/21 $	Q3 2021 08/31/21 $	Q2 2021 05/31/21 $	Q1 2021 02/28/21 $	Q4 2020 11/30/20 $	Q3 2020 08/31/20 $	Q2 2020 05/31/20 $	Q1 2020 02/29/20 $
Interest and other income	**2**	**4**	**5**	**5**	5	8	12	62
Exploration expense	**13**	**130**	**—**	**—**	—	—	—	—
Mineral properties and feasibility study expenses	**—**	**—**	**—**	**—**	91	232	742	1,545
Share of loss on equity investment	**4,190**	**6,072**	**1,700**	**1,120**	1,022	1,094	561	178
Earnings (loss) for the period	**(6,067)**	**(7,664)**	**(3,413)**	**(4,516)**	(3,226)	(3,184)	(3,002)	171,179
Earnings (loss) per common share – basic	**(0.05)**	**(0.05)**	**(0.02)**	**(0.03)**	(0.04)	(0.02)	(0.02)	1.22
Earnings (loss) per common share – diluted	**(0.05)**	**(0.05)**	**(0.02)**	**(0.03)**	(0.01)	(0.01)	(0.02)	1.16

Factors that can cause fluctuations in our quarterly results include the length of the exploration field season at the properties, the type of program conducted, stock option vesting, and issuance of shares. Subsequent to the formation of the Joint Venture, project related costs may cause fluctuations in our quarterly results through our 50% share of the Joint Venture's net operating loss.

For the third quarter of 2021, we reported a comprehensive loss of $7.7 million, which consisted of $1.6 million in operating expenses and $6.1 million for Trilogy's 50% share of Ambler Metals' operating loss. In the third quarter of 2020, we reported a comprehensive loss of $3.2 million which consisted of $2.1 million in operating expenses and $1.1 million for Trilogy's share of Ambler Metals' operating loss. When compared to the third quarter of 2020, our pro rata share of the joint venture's operating loss is $5 million higher. The increase is due to the project drilling costs incurred during the 2021 field season. Ambler Metals did not incur these costs during the third quarter of 2020 due to the cancellation of the 2020 field season because of the COVID-19 pandemic. The $0.5 million decrease in operating expenses for the current period versus the comparative was primarily due to a decrease of $0.7 million in stock-based compensation, offset by a $0.2 million increase in salaries as in the current period, CEO compensation is salary-based verses stock based in the comparative third quarter of 2020.

For the second quarter of 2021, we reported a comprehensive loss of $3.4 million, which consisted of $1.7 million in operating expenses and $1.7 million for Trilogy's 50% share of Ambler Metals' operating loss. In the second quarter of 2020, we recognized a comprehensive loss of $3.0 million which consisted of $2.5 million in operating expenses and $0.6 million for Trilogy's share of Ambler Metals' operating loss. When compared to the second quarter of 2020, our pro rata share of the joint venture's operating loss is $1.1 million higher for the second quarter of 2021. The increase is due to camp set up costs in relation to the 2021 field season. Ambler Metals did not incur these costs during the second quarter of 2020 due to the cancellation of the 2020 field season because of the COVID-19 pandemic. The $0.8 million decrease in operating expenses for the second second quarter versus the comparative was primarily due to the Arctic project feasibility study costs that were incurred by Trilogy during the second quarter of 2020 for which there are no comparatives for the same quarter in 2021.

For the first quarter of 2021, we reported a comprehensive loss of $4.5 million, which consists of $3.4 million in operating expenses and $1.1 million for Trilogy's 50% share of Ambler Metals' operating loss. In the first quarter of 2020, we recognized a gain of $176 million from the contribution of our Alaskan mineral properties to the joint venture for which there was no comparative in fiscal 2021. Other variances, when compared to the three-month period ended February 29, 2020, include our pro rata share of the joint venture's operating loss, which is $0.9 million higher in the period and operating expenses, which are $1.1 million lower for the period. The decrease in the operating expenses is primarily due to the elimination of $1.5 million in mineral properties expenses as the mineral properties were contributed to the joint venture during the first quarter of 2020 and a cost savings of $0.4 million from professional fees, offset by an increase of $1.0 million in stock-based compensation.

Liquidity and capital resources

We expended $5.1 million on operating activities during the 2021 fiscal year compared with $8.3 million for operating activities for the same period in 2020. A majority of cash spent on operating activities during the prior fiscal year was expended on mineral property expenses, general and administrative expenses, salaries and professional fees. Ambler Metals assumed responsibility for project funding upon formation of the Joint Venture on February 11, 2020. As a result, the majority of cash spent on operating activities during the 2021 fiscal year was expended on general and administrative expenses, salaries and professional fees.

At November 30, 2021, we had $6.3 million in cash and cash equivalents and working capital of $5.6 million. Management believes that the cash available is sufficient to meet its budgeted $5.5 million operating requirements for the next twelve months. The Company continues to manage its cash expenditures through its working capital. All project related costs are funded by the joint venture. Amber Metals is well funded to advance the UKMP with $61.2 million in cash and $55.4 million loan receivable from South32 as at November 30, 2021 and an operating budget of $28.5 million for fiscal 2022. Trilogy does not anticipate having to fund the activities of Ambler Metals until the initial contribution of $145 million is expended.

Future cash requirements may vary materially from current expectations due to a number of factors, including foreign exchange denominated office related costs and insurance renewal costs. The Company will need to raise additional funds to support its operations and administration expenses. Future sources of liquidity may include debt financing, equity financing, convertible debt, exercise of options, or other means. The continued operations of the Company are dependent on its ability to obtain additional financing or to generate future cash flows.

Off-balance sheet arrangements

We have no material off-balance sheet arrangements.

Outstanding share data

At February 11, 2022, we had 145,464,286 common shares issued and outstanding. At February 11, 2022, we had 12,242,150 stock options outstanding with a weighted-average exercise price of $1.98 and 1,438,186 Deferred Share Units ("DSUs") and 257,267 Restricted Share Units ("RSUs") outstanding. We continue to hold 11,927 NovaGold Resources Inc. ("NovaGold") DSUs for which the NovaGold director is entitled to receive one common share of Trilogy for every six NovaGold shares to be received upon their retirement from the NovaGold board. A total of 1,988 common shares will be issued upon redemption of the NovaGold DSUs. For additional information on NovaGold DSUs, please refer to note 9 in our November 30, 2021 audited consolidated financial statements. Upon the exercise of all the forgoing convertible securities, the Company would be required to issue an aggregate of 13,939,591 common shares.

Financial instruments

Our financial instruments consist of cash and cash equivalents, accounts receivable, deposits, accounts payable and accrued liabilities. The fair value of the financial instruments approximates their carrying value due to the short-term nature of their maturity. Our financial instruments initially measured at fair value and then held at amortized cost include cash and cash equivalents, accounts receivable, deposits, and accounts payable and accrued liabilities.

(a) Currency risk

Currency risk is the risk of a fluctuation in financial asset and liability settlement amounts due to a change in foreign exchange rates. The Company operates in the United States and Canada. The Company's exposure to currency risk at November 30, 2021 is limited to Canadian dollar balances consisting of cash of CDN$247,000, accounts receivable of CDN$23,000 and certain trade payables and accrued personnel costs CDN$946,000. Based on a 10% change in the US-Canadian exchange rate, assuming all other variables remain constant, the Company's net loss would change by approximately $53,000.

(b) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company holds cash and cash equivalents with Canadian Chartered financial institutions. The Company's accounts receivable are for recoverable expenses. The Company's exposure to credit risk is equal to the balance of cash and cash equivalents and accounts receivable as recorded in the financial statements.

(c) Liquidity risk

Liquidity risk is the risk that we will encounter difficulties raising funds to meet our financial obligations as they fall due. We are in the exploration stage and do not have cash inflows from operations; therefore, we manage liquidity risk through the management of our capital structure and financial leverage. Future sources of liquidity may arise from equity financing, debt financing, convertible debt, or other means.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk with respect to interest earned on cash and cash equivalents. Based on balances as at November 30, 2021, a 1% change in interest rates would result in a change in net loss of $160, assuming all other variables remain constant.

As we are currently in the exploration phase none of our financial instruments are exposed to commodity price risk; however, our ability to obtain long-term financing and its economic viability could be affected by commodity price volatility.

New accounting pronouncements

There were no new accounting pronouncements requiring management consideration during fiscal 2021.

Critical accounting estimates

The most critical accounting estimates upon which our financial status depends are those requiring estimates of the recoverability of our equity method investment in Ambler Metals LLC, income taxes and valuation of stock-based compensation.

Impairment of Investment in Ambler Metals LLC

Management assesses the possibility of impairment in the carrying value of its equity method investment in Ambler Metals whenever events or circumstances indicate that the carrying amount of the investment may not be recoverable. Significant judgments are made in assessing the possibility of impairment. Factors that may be indicative of an impairment include a loss in the value of an investment that is not temporary. Management considers several factors in considering if an indicator of impairment has occurred, including but not limited to, sustained losses by the investment, the absence of the ability to recover the carrying amount of the investment, significant changes in the legal, business or regulatory environment, significant adverse changes impacting the investee and internal reporting indicating the economic performance of an investment is, or will be, worse than expected.

These factors are subjective and require consideration at each period end. If an indicator of impairment is determined to exist, the fair value of the impaired investment is determined based on the valuation of cohort companies with similar projects or upon the present value of expected future cash flows using discount rates and other assumptions believed to be consistent with those used by principal market participants and observed market earnings multiples of comparable companies.

Management calculates the estimated undiscounted future net cash flows relating to the asset or asset group using estimated future prices, proven and probable reserves and other mineral resources, and operating, capital and reclamation costs. When the carrying value of an asset exceeds the related undiscounted cash flows, the asset is written down to its estimated fair value, which is usually determined using discounted future cash flows. Management's estimates of mineral prices, mineral resources, foreign exchange rates, production levels operating, capital and reclamation costs are subject to risk and uncertainties that may affect the determination of the recoverability of the long-lived asset. It is possible that material changes could occur that may adversely affect management's estimates.

Income taxes

We must make estimates and judgments in determining the provision for income tax expense, deferred tax assets and liabilities, and liabilities for unrecognized tax benefits including interest and penalties. We are subject to income tax law in the United States and Canada. The evaluation of tax liabilities involving uncertainties in the application of complex tax regulation is based on factors such as changes in facts or circumstances, changes in tax law, new audit activity, and effectively settled issues. The evaluation of an uncertain tax position requires significant judgment, and a change in such recognition would result in an additional charge to the income tax expense and liability.

Stock-based compensation

Compensation expense for options granted to employees, directors and certain service providers is determined based on estimated fair values of the options at the time of grant using the Black-Scholes option pricing model, which takes into account, as of the grant date, the fair market value of the shares, expected volatility, expected life, expected forfeiture rate, expected dividend yield and the risk-free interest rate over the expected life of the option. The use of the Black-Scholes option pricing model requires input estimation of the expected life of the option, volatility, and forfeiture rate which can have a significant impact on the valuation model, and resulting expense recorded.

Disclosure controls and procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted by the Company under U.S. and Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified in those rules, including providing reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to permit timely decisions regarding public disclosure. Management, including the CEO and CFO, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures, as defined in Rule 13a-15(e) and 15d-15(e) of the US Exchange Act and the rules of Canadian Securities Administrators, as at November 30, 2021. Based on this evaluation, the CEO and CFO have concluded that the Company's disclosure controls and procedures were effective as at November 30, 2021.

Internal control over financial reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) and 15d-15(f) of the U.S. Exchange Act and National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim filings. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Management has used the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework (2013) to evaluate the effectiveness of the Company's internal control over financial reporting. Based on this assessment, management has concluded that as at November 30, 2021, the Company's internal control over financial reporting was effective.

Risk factors

Trilogy and its future business, operations and financial condition are subject to various risks and uncertainties due to the nature of its business and the present stage of exploration of its mineral properties. Certain of these risks and uncertainties are under the heading "Risk Factors" under Trilogy's Form 10-K dated February 11, 2022 available on SEDAR at www.sedar.com and EDGAR at www.sec.gov and on our website at www.trilogymetals.com.

Additional information

Additional information regarding the Company, including our annual report on Form 10-K, is available on SEDAR at www.sedar.com and EDGAR at www.sec.gov and on our website at www.trilogymetals.com.

Cautionary notes

Forward-looking statements

This Management's Discussion and Analysis contains "forward-looking information" and "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and other applicable securities laws. These forward-looking statements may include statements regarding the Company's work programs and budgets; perceived merit of properties, exploration results and budgets, the Company and Ambler Metals's funding requirements, mineral reserves and resource estimates, work programs, capital expenditures, operating costs, cash flow estimates, production estimates and similar statements relating to the economic viability of a project, timelines, strategic plans, statements regarding Ambler Metals' plans and expectations relating to its Upper Kobuk Mineral Projects, sufficiency of the $145 million subscription price to fund the UKMP; impact of COVID-19 on the Company's operations; market prices for precious and base metals; statements regarding the Ambler Road Project; or other statements that are not statements of fact. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Statements concerning mineral resource estimates may also be deemed to constitute "forward-looking statements" to the extent that they involve estimates of the mineralization that will be encountered if the property is developed.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, as well as on a number of material assumptions, which could prove to be significantly incorrect, including about:

- *our ability to achieve production at the Upper Kobuk Mineral Projects;*
- *the accuracy of our mineral resource and reserve estimates;*
- *the results, costs and timing of future exploration drilling and engineering;*
- *timing and receipt of approvals, consents and permits under applicable legislation;*
- *the adequacy of our financial resources;*
- *the receipt of third party contractual, regulatory and governmental approvals for the exploration, development, construction and production of our properties and any litigation or challenges to such approvals;*
- *our expected ability to develop adequate infrastructure and that the cost of doing so will be reasonable;*
- *continued good relationships with South32, our joint venture partner, as well as local communities and other stakeholders;*
- *there being no significant disruptions affecting operations, whether relating to labor, supply, power damage to equipment or other matter;*
- *expected trends and specific assumptions regarding metal prices and currency exchange rates;*

- *the potential impact of the novel coronavirus (COVID-19); and*

- *prices for and availability of fuel, electricity, parts and equipment and other key supplies remaining consistent with current levels.*

We have also assumed that no significant events will occur outside of our normal course of business. Although we have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. We believe that the assumptions inherent in the forward-looking statements are reasonable as of the date of this MD&A. However, forward-looking statements are not guarantees of future performance and, accordingly, undue reliance should not be put on such statements due to the inherent uncertainty therein.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation:

- *risks related to the COVID-19 pandemic;*

- *risks related to inability to define proven and probable reserves;*

- *risks related to our ability to finance the development of our mineral properties through external financing, strategic alliances, the sale of property interests or otherwise;*

- *uncertainty as to whether there will ever be production at the Company's mineral exploration and development properties;*

- *risks related to our ability to commence production and generate material revenues or obtain adequate financing for our planned exploration and development activities;*

- *risks related to lack of infrastructure including but not limited to the risk whether or not the Ambler Mining District Industrial Access Project, or AMDIAP, will receive the requisite permits and, if it does, whether the Alaska Industrial Development and Export Authority will build the AMDIAP;*

- *risks related to inclement weather which may delay or hinder exploration activities at our mineral properties;*

- *risks related to our dependence on a third party for the development of our projects;*

- *none of the Company's mineral properties are in production or are under development;*

- *commodity price fluctuations;*

- *uncertainty related to title to our mineral properties;*

- *our history of losses and expectation of future losses;*

- *risks related to increases in demand for equipment, skilled labor and services needed for exploration and development of mineral properties, and related cost increases;*

- *uncertainties relating to the assumptions underlying our resource estimates, such as metal pricing, metallurgy, mineability, marketability and operating and capital costs;*

- *uncertainty related to inferred mineral resources;*

- *mining and development risks, including risks related to infrastructure, accidents, equipment breakdowns, labor disputes or other unanticipated difficulties with or interruptions in development, construction or production;*
- *risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of our mineral deposits;*
- *risks related to governmental regulation and permits, including environmental regulation, including the risk that more stringent requirements or standards may be adopted or applied due to circumstances unrelated to the Company and outside of our control;*
- *the risk that permits and governmental approvals necessary to develop and operate mines at our mineral properties will not be available on a timely basis or at all;*
- *risks related to the need for reclamation activities on our properties and uncertainty of cost estimates related thereto;*
- *risks related to the acquisition and integration of operations or projects;*
- *our need to attract and retain qualified management and technical personnel;*
- *risks related to conflicts of interests of some of our directors and officers;*
- *risks related to potential future litigation;*
- *risks related to market events and general economic conditions;*
- *risks related to future sales or issuances of equity securities decreasing the value of existing Trilogy common shares, diluting voting power and reducing future earnings per share;*
- *risks related to the voting power of our major shareholders and the impact that a sale by such shareholders may have on our share price;*
- *uncertainty as to the volatility in the price of the Company's common shares;*
- *the Company's expectation of not paying cash dividends;*
- *adverse federal income tax consequences for U.S. shareholders should the Company be a passive foreign investment company;*
- *risks related to global climate change;*
- *risks related to adverse publicity from non-governmental organizations;*
- *uncertainty as to our ability to maintain the adequacy of internal control over financial reporting as per the requirements of Section 404 of the Sarbanes-Oxley Act; and*
- *increased regulatory compliance costs, associated with rules and regulations promulgated by the United States Securities and Exchange Commission, Canadian Securities Administrators, the NYSE American, the Toronto Stock Exchange, and the Financial Accounting Standards Boards, and more specifically, our efforts to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act.*

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Forward-looking statements 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 due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in Trilogy's Form 10-K dated February 11, 2022, filed with the Canadian securities regulatory authorities and the SEC, and other information released by Trilogy and filed with the appropriate regulatory agencies.

The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

Cautionary note to United States investors

Reserve and resource estimates

This Management's Discussion and Analysis has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of U.S. securities laws. Unless otherwise indicated, all resource and reserve estimates included in this Management's Discussion and Analysis have been prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining, Metallurgy, and Petroleum Definition Standards on Mineral Resources and Mineral Reserves. NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian standards, including NI 43-101, differ significantly from the requirements of the SEC, and resource and reserve information contained herein may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserves". Under U.S. standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC's disclosure standards normally do not permit the inclusion of information concerning "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by U.S. standards in documents filed with the SEC. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. U.S. investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. Under Canadian rules, estimated "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies except in rare cases. Investors are cautioned not to assume that all or any part of an "inferred mineral resource" exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in-place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of "reserves" are also not the same as those of the SEC, and reserves reported by the Company in compliance with NI 43-101 may not qualify as "reserves" under SEC standards. Accordingly, information concerning mineral deposits set forth herein may not be comparable with information made public by companies that report in accordance with U.S. standards.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Supplementary Data

For the required supplementary data, please see the section heading "*Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations*" above.

Management's Report on Internal Control over Financial Reporting

The management of Trilogy Metals Inc. is responsible for establishing and maintaining adequate internal control over financial reporting under Rule 13a-15(f) and 15d-15(f) of the U.S. Exchange Act. The Securities Exchange Act of 1934 defines this as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America, and includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles in the United States of America, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that may have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of November 30, 2021. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework (2013).

Based upon our assessment and those criteria, management concluded that the Company's internal control over financial reporting is effective as of November 30, 2021.

/s/ Tony Giardini

Tony Giardini
President, Chief Executive Officer & Director

/s/ Elaine Sanders

Elaine Sanders
Vice President & Chief Financial Officer

February 10, 2022

Report of Independent Registered Public Accounting Firm

Report of Independent Registered Public Accounting Firm

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Trilogy Metals Inc. and its subsidiaries (together, the Company) as of November 30, 2021 and 2020, and the related consolidated statements of earnings (loss) and comprehensive earnings (loss), changes in shareholders' equity and cash flows for each of the three years in the period ended November 30, 2021, including the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of November 30, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended November 30, 2021 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Assessment of impairment indicators related to the Investment in Ambler Metals LLC

As described in Notes 2 and 4 to the consolidated financial statements, the Company has an investment in Ambler Metals LLC ("Ambler") accounted for using the equity method of accounting. As of November 30, 2021, the carrying amount of the Company's investment in Ambler was $160.1 million. Management assesses impairment indicators whenever changes in facts and circumstances indicate there is an other than temporary loss in value of the investment.

Management applies judgment in assessing whether facts and circumstances indicate an other than temporary loss in value has occurred that could give rise to the requirement to conduct an impairment test. Factors such as (i) sustained losses by the investment, (ii) an absence of the ability to recover the carrying amount of the investment, and (iii) deterioration of market conditions, are evaluated by management in determining whether there are any indicators of impairment.

The principal considerations for our determination that performing procedures relating to the assessment of impairment indicators related to the investment in Ambler is a critical audit matter are that there was judgment by management when assessing whether indicators of impairment exist, specifically related to assessing: (i) an absence of the ability to recover the investment in Ambler, and (ii) a deterioration of market conditions. This in turn led to a high degree of auditor judgment and subjectivity in performing procedures to evaluate audit evidence relating to the judgements made by management in their assessment of indicators of impairment related to the investment in Ambler.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others, evaluating the reasonableness of management's assessment of indicators of impairment related to the investment in Ambler, which included (i) evaluating whether there was an absence of the ability to recover the carrying amount of the investment by considering changes in Trilogy Metals market capitalization, and (ii) evaluating whether there was a deterioration of market conditions and assessing the completeness of facts and circumstances that could be considered as impairment indicators of the Investment in Ambler by performing an audit of the financial statements of Ambler as of November 30, 2021. Performing an audit of the financial statements of Ambler as of November 30, 2021 included (i) evaluating whether there were significant adverse changes in the business climate including significant decreases in copper, zinc, and other metal prices (ii) evaluating whether there were significant adverse changes in legal factors with respect to mineral property title matters, and (iii) evaluating whether there was an accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of Ambler's mineral properties.

/s/ PricewaterhouseCoopers LLP

Chartered Professional Accountants
Vancouver, Canada
February 10, 2022

We have served as the Company's auditor since 2012.

Trilogy Metals Inc.
Consolidated Balance Sheets
As at November 30, 2021 and 2020

in thousands of US dollars

	November 30, 2021 $	November 30, 2020 $
Assets		
Current assets		
Cash and cash equivalents	6,308	11,125
Accounts receivable (note 3)	19	129
Deposits and prepaid amounts	285	184
	6,612	11,438
Investment in Ambler Metals LLC (note 4)	160,063	173,145
Fixed assets (note 5)	29	206
Mineral properties (note 6)	119	—
Right of use asset (note 8 (a))	482	476
	167,305	**185,265**
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	852	888
Current portion of lease liability	179	158
	1,031	1,046
Long-term portion of lease liability (note 8 (b))	235	408
	1,266	1,454
Shareholders' equity		
Share capital (note 9) – *unlimited common shares authorized, no par value Issued – 145,009,811 (2020 – 144,137,850)*	180,820	179,746
Contributed surplus	122	122
Contributed surplus – options (note 9(a))	25,990	23,303
Contributed surplus – units (note 9(b))	1,712	1,585
Deficit	(42,605)	(20,945)
	166,039	183,811
	167,305	**185,265**

Commitments and contingencies (note 13)
Subsequent events (note 14)

(See accompanying notes to the consolidated financial statements)

/s/Tony Giardini, President, CEO and Director

/s/ Kalidas Madhavpeddi, Director

Approved on behalf of the Board of Directors

Trilogy Metals Inc.
Consolidated Statements of Earnings (Loss) and Comprehensive Earnings (Loss)
For the Years Ended November 30

in thousands of US dollars, except share and per share amounts

	2021 $	2020 $	2019 $
Expenses			
Amortization	21	91	211
Exploration expense	143	—	—
Feasibility study (note 6(d))	—	1,065	—
Foreign exchange loss (gain)	36	56	(19)
General and administrative	1,517	1,650	1,838
Investor relations	602	537	623
Mineral properties expense (note 6(d))	—	1,545	19,211
Professional fees	818	1,347	1,382
Salaries	2,007	1,411	1,314
Salaries – technical services (note 4(e))	—	898	—
Salaries – stock-based compensation	3,472	3,564	3,845
Total expenses	8,616	12,164	28,405
Other items			
Share of loss on equity investment (note 4(b))	13,082	2,855	—
Interest and other income	(16)	(87)	(500)
Services agreement income (note 4(e))	(22)	(929)	—
Gain on derecognition of assets contributed to joint venture (note 4(a))	—	(175,770)	—
Comprehensive (loss) earnings for the year	**(21,660)**	**161,767**	**(27,905)**
Basic (loss) earnings per common share	**(0.15)**	**1.14**	**(0.21)**
Diluted (loss) earnings per common share	**(0.15)**	**1.12**	**(0.21)**
Basic weighted average number of common shares outstanding	**144,428,926**	**141,464,877**	**135,225,349**
Diluted weighted average number of common shares outstanding	**144,428,926**	**144,604,750**	**135,225,349**

(See accompanying notes to the consolidated financial statements)

Trilogy Metals Inc.
Consolidated Statements of Changes in Shareholders' Equity
For the Years Ended November 30

in thousands of US dollars, except share amounts

	Number of shares outstanding	Share capital $	Warrants $	Contributed surplus $	Contributed surplus – options $	Contributed surplus – units $	Deficit $	Total shareholders' equity $
Balance – 2018	**131,585,612**	**164,069**	**2,253**	**122**	**19,076**	**1,489**	**(154,807)**	**32,202**
Exercise of options	1,725,776	1,123	—	—	(915)	—	—	**208**
Exercise of warrants	6,521,740	12,166	(2,253)	—	—	—	—	**9,913**
Restricted share units	412,501	424	—	—	—	(424)	—	**—**
Deferred share units	182,132	189	—	—	—	(189)	—	**—**
Stock-based compensation	—	—	—	—	2,962	883	—	**3,845**
Loss for the year	—	—	—	—	—	—	(27,905)	**(27,905)**
Balance – 2019	**140,427,761**	**177,971**	**—**	**122**	**21,123**	**1,759**	**(182,712)**	**18,263**
Exercise of options	3,297,588	1,133	—	—	(916)	—	—	217
Exercise of warrants	—	—	—	—	—	—	—	—
Restricted share units	412,501	642	—	—	—	(642)	—	—
Deferred share units	—	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	3,096	468	—	3,564
Earnings for the year	—	—	—	—	—	—	161,767	161,767
Balance – 2020	**144,137,850**	**179,746**	**—**	**122**	**23,303**	**1,585**	**(20,945)**	**183,811**
Exercise of options	871,961	1,074	—	—	(658)	—	—	416
Stock-based compensation	—	—	—	—	3,345	127	—	3,472
Loss for the year	—	—	—	—	—	—	(21,660)	(21,660)
Balance – 2021	**145,009,811**	**180,820**	**—**	**122**	**25,990**	**1,712**	**(42,605)**	**166,039**

(See accompanying notes to the consolidated financial statements)

Trilogy Metals Inc.
Consolidated Statements of Cash Flows
For the Years Ended November 30

in thousands of US dollars

	2021 $	2020 $	2019 $
Cash flows used in operating activities			
(Loss) earnings for the year	(21,660)	161,767	(27,905)
Adjustments to reconcile net loss to cash flows in operating activities			
Amortization	21	91	211
Office lease accounting	(15)	(7)	—
Loss on working capital written-off upon joint venture formation	—	18	—
Gain on derecognition of assets (note 4(a))	—	(175,770)	—
Loss on equity investment in Ambler Metals LLC (note 4(b))	13,082	2,855	—
Unrealized foreign exchange loss	10	27	1
Stock-based compensation	3,472	3,564	3,845
Net change in non-cash working capital			
Decrease (increase) in accounts receivable	110	135	(241)
Decrease (increase) in deposits and prepaid amounts	(101)	535	(100)
(Decrease) increase in accounts payable and accrued liabilities	(36)	(1,466)	697
	(5,117)	**(8,251)**	**(23,492)**
Cash flows from financing activities			
Proceeds from exercise of options	416	217	208
Proceeds from exercise of warrants	—	—	9,913
	416	**217**	**10,121**
Cash flows from investing activities			
Acquisition of plant & equipment	—	—	(645)
Mineral properties funding	—	—	10,200
Mineral claims	(119)	—	—
	(119)	**—**	**9,555**
Decrease in cash and cash equivalents	(4,820)	(8,034)	(3,816)
Effect of exchange rate on cash and cash equivalents	3	(15)	(1)
Cash and cash equivalents – beginning of year	11,125	19,174	22,991
Cash and cash equivalents – end of the year	**6,308**	**11,125**	**19,174**

(See accompanying notes to the consolidated financial statements)

Trilogy Metals Inc.
Notes to the Consolidated Financial Statements

1) Nature of operations

Trilogy Metals Inc., ("Trilogy", the "Company", or "we") was incorporated in British Columbia under the Business Corporations Act (BC) on April 27, 2011. The Company is engaged in the exploration and development of mineral properties, through our equity investee (note 4), with a focus on the Upper Kobuk Mineral Projects ("UKMP"), including the Arctic and Bornite Projects located in Northwest Alaska in the United States of America ("US" or "USA"). The Company also conducts early-stage exploration through a wholly owned subsidiary, 995 Exploration Inc.

2) Summary of significant accounting policies

Basis of presentation

These consolidated financial statements have been prepared using accounting principles generally accepted in the United States ("U.S. GAAP") and include the accounts of Trilogy and its wholly owned subsidiaries, NovaCopper US Inc. (dba "Trilogy Metals US") and 995 Exploration Inc. All intercompany transactions are eliminated on consolidation. For variable interest entities ("VIEs") where Trilogy is not the primary beneficiary, we use the equity method of accounting.

All figures are in United States dollars unless otherwise noted. References to CDN$ refer to amounts in Canadian dollars.

These financial statements were approved by the Company's Board of Directors for issue on February 10, 2022.

Cash and cash equivalents

Cash and cash equivalents had been comprised of highly liquid investments maturing less than 90 days from date of initial investment.

Investment in affiliates

Investments in unconsolidated ventures over which the Company has the ability to exercise significant influence, but does not control, are accounted for under the equity method and include the Company's investment in the Ambler Metals project. We identified Ambler Metals LLC ("Ambler Metals") as a VIE as the entity is dependent on funding from its owners. All funding, ownership, voting rights and power to exercise control is shared equally on a 50/50 basis between the owners of the VIE. Therefore, the Company has determined that it is not the primary beneficiary of the VIE. The Company's maximum exposure to loss is its investment in Ambler Metals.

Ambler Metals is a non-publicly traded equity investee holding exploration and development projects. Investments in unconsolidated entities accounted for under the equity method are assessed for impairment whenever changes in the facts and circumstances indicate an other than temporary loss in value has occurred. When indicators exist, the fair value is estimated and compared to the investment carrying value. If any impairment is determined to be other than temporary, the carrying value of the investment is written down to fair value. The fair value of the impaired investment may be based upon the valuation of cohort companies with similar projects or the present value of expected future cash flows using discount rates and other assumptions believed to be consistent with those used by principal market participants and observed market earnings multiples of comparable companies. Judgement is applied in evaluating indicators of impairment. Events that could indicate impairment of an investment in affiliates include sustained losses by the investment, the absence of the ability to recover the carrying amount of the investment, or a deterioration of market conditions, among others.

Fixed assets

Plant and equipment are recorded at cost and amortization begins when the asset is put into service. Amortization is calculated on a straight-line basis over the respective assets' estimated useful lives. Amortization periods by asset class are:

Computer hardware and software	3 years
Leasehold Improvements	lease term
Office furniture and equipment	5 years
Machinery and equipment	3 – 10 years
Vehicles	3 years

Mineral properties and development costs

All direct costs related to the acquisition of mineral property interests are capitalized. Mineral property exploration expenditures is expensed when incurred. When it has been established that a mineral deposit is commercially mineable, an economic analysis has been completed and permits are obtained, the costs subsequently incurred to develop a mine on the property prior to the start of mining operations are capitalized. Capitalized costs will be amortized following commencement of production using the unit of production method over the estimated life of proven and probable reserves.

The acquisition of title to mineral properties is a complicated and uncertain process. The Company has taken steps, in accordance with industry standards, to verify the title to mineral properties. Although the Company has made efforts to ensure that legal titles to its mining assets are properly recorded through the Joint Venture, there can be no assurance that such title will be secured indefinitely.

Impairment of long-lived assets

Management assesses the possibility of impairment in the carrying value of long-lived assets whenever events or circumstances indicate that the carrying amounts of the asset or asset group may not be recoverable. Management calculates the estimated undiscounted future net cash flows relating to the asset or asset group using estimated future prices, proven and probable reserves and other mineral resources, and operating, capital and reclamation costs. When the carrying value of an asset exceeds the related undiscounted cash flows, the asset is written down to its estimated fair value, which is usually determined using discounted future cash flows. Management's estimates of mineral prices, mineral resources, foreign exchange rates, production levels operating, capital and reclamation costs are subject to risk and uncertainties that may affect the determination of the recoverability of the long-lived asset. It is possible that material changes could occur that may adversely affect management's estimates.

Leases

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on the unique facts and circumstances present in the arrangement. Leases with a term greater than one year are recognized on the balance sheet as ROU assets and short-term and long-term lease liabilities, as applicable. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. The Company typically only includes an initial lease term in its assessment of a lease arrangement. It also considers termination options and factors those into the determination of lease payments. Options to renew a lease are not included in the assessment unless there is reasonable certainty that the Company will renew.

Operating lease liabilities and their corresponding ROU assets are recorded based on the present value of lease payments over the expected remaining lease term. Certain adjustments to the ROU asset may be required for items such as

incentives received. The interest rate implicit in lease contracts is typically not readily determinable. As a result, the Company utilizes its incremental borrowing rate, which reflects the fixed rate at which it could borrow on a collateralized basis the amount of the lease payments in the same currency, for a similar term, in a similar economic environment. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Income taxes

The liability method of accounting for income taxes is used and is based on differences between the accounting and tax basis of assets and liabilities. Deferred income tax assets and liabilities are recognized for temporary differences between the tax and accounting basis of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes using enacted income tax rates expected to be in effect for the period in which the differences are expected to reverse. Deferred income tax assets are evaluated and, if realization is not considered more likely than not, a valuation allowance is provided.

Uncertainty in income tax positions

The Company recognizes tax benefits from uncertain tax positions only if it is at least more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. Any tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement with the taxing authorities. Related interest and penalties, if any, are recorded as tax expense in the tax provision.

Financial instruments

Valuation models require the use of assumptions which may include the expected life of the instrument, the expected volatility, dividend payouts, and interest rates. In determining these assumptions, management uses readily observable market inputs where available or, where not available, inputs generated by management.

Loans and receivables are recorded initially at fair value, net of transaction costs incurred, and subsequently at amortized cost using the effective interest rate method. Loans and receivables consist of cash and cash equivalents, accounts receivable, and deposits.

Other financial liabilities are recorded initially at fair value and subsequently at amortized cost using the effective interest rate method. Other financial liabilities include accounts payable and accrued liabilities.

Translation of foreign currencies

Monetary assets and liabilities are translated into United States dollars at the exchange rate in effect at the balance sheet date, and non-monetary assets and liabilities at the exchange rate in effect at the time of acquisition or issue. Income and expenses are translated at rates approximating the exchange rate in effect at the time of transactions. Exchange gains or losses arising on translation are included in income or loss for the period.

The functional currency of the Company and its subsidiary and the Company's reporting currency is the United States dollar.

Earnings and loss per share

Earnings and loss per common share is calculated based on the weighted average number of common shares outstanding during the year. The Company follows the treasury stock method in the calculation of diluted earnings per share. Under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive stock options and in the prior year, warrants are used to repurchase common shares at the average market price during the period.

Stock-based compensation

Compensation expense for options granted to employees, directors and certain service providers is determined based on estimated fair values of the options at the time of grant using the Black-Scholes option pricing model, which takes into account, as of the grant date, the fair market value of the shares, expected volatility, expected dividend yield, the risk-free interest rate, and the expected life of the option. The compensation cost is recognized using the graded attribution method over the vesting period of the respective options. The expense relating to the fair value of stock options is included in expenses, net of forfeitures and is credited to contributed surplus. Shares are issued from treasury in settlement of options exercised.

Compensation expense for restricted share units ("RSUs") and deferred share units ("DSUs") granted to employees and directors, respectively, is determined based on estimated fair values of the units at the time of grant using quoted market prices or at the time the units qualify for equity classification under ASC 718. The cost is recognized using the graded attribution method over the vesting period of the respective units. The expense relating to the fair value of the units is included in expenses, net of forfeitures and is credited to other liabilities or contributed surplus based on the unit's classification. Units may be settled in either i) cash, and/or ii) shares purchased in the open market, and/or iii) shares issued from treasury, at the Company's election at the time of vesting.

Use of estimates and measurement uncertainties

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions of future events that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of expenditures during the period. Significant judgments include the assessment of potential indicators of impairment of mineral properties and investments in affiliates. Significant estimates include the measurement of the South32 property acquisition option and subsequent equity method investment, income taxes, and the valuation of stock-based compensation. Actual results could differ materially from those reported.

3) Accounts receivable

in thousands of dollars

	November 30, 2021 $	November 30, 2020 $
GST input tax credits	19	15
Ambler Metals	—	114
Accounts receivable	**19**	**129**

The balance due from Ambler Metals for the prior year (see note 4 below) consisted of services rendered by Trilogy and reimbursements for invoices paid by Trilogy on behalf of Ambler Metals pursuant to a service agreement.

4) Investment in Ambler Metals LLC

(a) Formation of Ambler Metals LLC

On February 11, 2020, the Company completed the formation of a 50/50 joint venture named Ambler Metals with South32 Limited ("South32"). As part of the formation of the joint venture, Trilogy contributed all its assets associated with the UKMP, including the Arctic and Bornite Projects, while South32 contributed $145 million, resulting in each party's subsidiaries directly owning a 50% interest in Ambler Metals. To assist Ambler Metals during the initial set up phase, Trilogy paid all of Ambler Metals' invoices and was being reimbursed pursuant to a services agreement (the "Services Agreement") between Trilogy and Ambler Metals until the back office transitioned to a new permanent team employed by the joint venture. The Services Agreement ended on December 31, 2020.

Ambler Metals is an independently operated company jointly controlled by Trilogy and South32 through a four-member board, of which two members are currently appointed by Trilogy based on its 50% equity interest. All significant decisions related to the UKMP require the approval of both companies. We determined that Ambler Metals is a VIE because it is expected to need additional funding from its owners for its significant activities. However, we concluded that we are not the primary beneficiary of Ambler Metals as the power to direct its activities, through its board, is shared under the Ambler Metals LLC limited liability company agreement. As we have significant influence over Ambler Metals through our representation on its board, we use the equity method of accounting for our investment in Ambler Metals. Our investment in Ambler Metals was initially measured at its fair value of $176 million upon recognition. Our maximum exposure to loss in this entity is limited to the carrying amount of our investment in Ambler Metals, which totaled $160.1 million at November 30, 2021. The following table summarizes the gain on derecognition of the UKMP assets upon transfer to the Ambler Metals joint venture on February 11, 2020.

in thousands of dollars

	$
Fair value ascribed to Ambler Metals LLC interest	176,000
Less: carrying value of contributed /eliminated assets	
Mineral properties	(30,631)
Property, plant and equipment located in Alaska	(618)
Elimination of Fairbanks warehouse right of use asset	(93)
Elimination of prepaid State of Alaska mining claim fees	(303)
Add:	
Reimbursement of claims staking	44
Demobilization costs of drills	278
Cancellation of Fairbanks warehouse lease liability	93
Fair value of mineral properties purchase option	31,000
Gain on derecognition	**175,770**

(b) Carrying value of investment in Ambler Metals

During the year ended November 30, 2021, Trilogy recognized, based on its 50% ownership interest in Ambler Metals, an equity loss equivalent to its pro rata share of Ambler Metals' net loss of $26.2 million for the year ended November 30, 2021 (2020 - $5.7 million). The carrying value of Trilogy's 50% investment in Ambler Metals as at November 30, 2021 is summarized on the following table.

in thousands of dollars

	$
February 11, 2020, fair value ascribed to Ambler Metals interest	176,000
Share of loss on equity investment from February 11, 2020 to November 30, 2020	(2,855)
November 30, 2020, investment in Ambler Metals	173,145
Share of loss on equity investment for the year ending November 30, 2021	(13,082)
November 30, 2021, investment in Ambler Metals	**160,063**

(c) The following table summarizes Ambler Metals' Balance Sheet as at November 30, 2021.

in thousands of dollars

	November 30, 2021 $	November 30, 2020 $
Total assets	149,374	171,991
Cash	61,205	81,673
Loan receivable from South32 (current and long-term)	55,355	58,478
Mineral properties	30,757	30,705
Total liabilities	(5,043)	(1,496)
Accounts payable and accrued liabilities	(4,148)	(1,445)
Members' equity (Total assets less Total liabilities)	**144,331**	**170,495**

(d) The following table summarizes Ambler Metals' net loss for the year ended November 30, 2021 and from the formation of the joint venture on February 11, 2020 to the end of the reporting period on November 30, 2020. For the prior year comparative, $0.3 million has been reclassed from general and administrative expense to mineral properties expense in order to reflect the current year presentation.

in thousands of dollars

	Year ended November 30, 2021 $	February 11, 2020 to November 30, 2020 $
Depreciation	77	95
Corporate salaries and wages	2,421	614
General and administrative	756	653
Lease expense	276	48
Mineral property expense	22,639	3,488
Professional fees	1,047	1,990
Foreign exchange (gain)/loss	6	3
Interest income	(1,058)	(1,180)
Comprehensive loss	**26,164**	**5,711**

(e) Related party transactions - services agreement income

During the fiscal year, the Company charged approximately $22,000 (2020 - $0.9 million) of expenses related to technical services, including geological, engineering, environmental and human resources and accounting services in connection with the Services Agreement. In addition, the Company received payments of approximately $4,000 (2020 - $2.8 million) related to operating expenses paid on behalf of Ambler Metals for the year ended November 30, 2021.

5) Fixed assets

in thousands of dollars

	British Columbia, Canada			Alaska, USA		
Cost	**Furniture and equipment $**	**Leasehold improvements $**	**Computer hardware and software $**	**Machinery and equipment $**	**Computer hardware and software $**	**Total $**
November 30, 2019	**63**	**53**	**115**	**3,667**	**4**	**3,902**
ASC 842 adoption	—	200	—	—	—	200
Assets derecognized (note 4(a))	—	—	—	(3,667)	(4)	(3,671)
November 30, 2020	**63**	**253**	**115**	**—**	**—**	**431**
ROU asset reclass	—	(200)	—	—	—	(200)
November 30, 2021	**63**	**53**	**115**	**—**	**—**	**231**
Accumulated amortization						
November 30, 2019	**29**	**18**	**111**	**3,026**	**3**	**3,187**
Depreciation	13	51	3	23	1	91
Assets derecognized (note 4(a))	—	—	—	(3,049)	(4)	(3,053)
November 30, 2020	**42**	**69**	**114**	**—**	**—**	**225**
ROU asset reclass	—	(44)	—	—	—	(44)
Depreciation	14	6	1	—	—	21
November 30, 2021	**56**	**31**	**115**	**—**	**—**	**202**
Net Book Value						
November 30, 2020	**21**	**184**	**1**	**—**	**—**	**206**
November 30, 2021	**7**	**22**	**—**	**—**	**—**	**29**

6) Mineral properties and development costs

in thousands of dollars

	November 30, 2020 $	**Acquisition costs $**	**November 30, 2021 $**
Alaska, USA			
West Kobuk	—	58	58
East Ambler	—	61	61
	—	**119**	**119**

in thousands of dollars

	November 30, 2019 $	**Assets derecognized note 4(a) $**	**November 30, 2020 $**
Alaska, USA			
Ambler (a)	26,631	(26,631)	—
Bornite (b)	4,000	(4,000)	—
	30,631	**(30,631)**	**—**

(a) Ambler

On January 11, 2010, NovaGold Resources Inc. (“NovaGold”), through Alaska Gold Company (“AGC”), its wholly-owned subsidiary, purchased 100% of the Ambler lands in Northwest Alaska, which contains the copper-zinc-lead-gold-silver Arctic Project and other mineralized targets within the volcanogenic massive sulfide belt, through a series of cash and share payments. Total fair value of the consideration was $26.6 million. The vendor retained a 1% net smelter return royalty that can be purchased at any time for a one-time payment of $10.0 million.

The Ambler lands were acquired on October 17, 2011 by Trilogy Metals US through a purchase and sale agreement with AGC. On October 24, 2011, NovaGold transferred its ownership of Trilogy Metals US to the Company, then a wholly owned subsidiary of NovaGold, which was subsequently spun-out to NovaGold shareholders and publicly listed on April 30, 2012 (“NovaGold Arrangement”).

(b) Bornite

On October 19, 2011, Trilogy Metals US acquired the exclusive right to explore and the non-exclusive right to access and enter on the Bornite lands, and lands deeded to NANA Regional Corporation, Inc. (“NANA”) through the Alaska Native Claims Settlement Act, located adjacent to the Ambler lands in Northwest Alaska. As consideration, Trilogy Metals US paid $4 million to acquire the right to explore and develop the combined Upper Kobuk Mineral Projects (“UKMP”) through an Exploration Agreement and Option to Lease with NANA. Upon a decision to proceed with construction of a mine on the lands, NANA maintains the right to purchase between a 16%-25% ownership interest in the mine or retain a 15% net proceeds royalty which is payable after Trilogy Metals US has recovered certain historical costs, including capital and cost of capital. Should NANA elect to purchase an ownership interest, consideration will be payable equal to all historical costs incurred on the properties, less $40 million, with the difference multiplied by the elected percentage purchased. In no event will the purchase amount be less than zero. The parties would form a joint venture and be responsible for all future costs, including capital costs of the mine based on their pro-rata share.

NANA would also be granted a net smelter return royalty of between 1% and 2.5% upon the execution of a mining lease or a surface use agreement, the amount of which is determined by the classification of land from which production originates.

(c) Option Agreement

On April 10, 2017, Trilogy and Trilogy Metals US entered into the South32 Option Agreement to form a Joint Venture with South32 Group Operations Pty Ltd., a wholly-owned subsidiary of South32 Limited, which agreement was later assigned by South32 Operations to its affiliate, South32 USA Exploration Inc. (“South32”) on the UKMP (“Option Agreement”). Under the terms of the Option Agreement, as amended, Trilogy Metals US granted South32 the right to form a 50/50 joint venture to hold all of Trilogy Metals US’ Alaskan assets. Upon exercise of the option, the option agreement provided that Trilogy Metals US would transfer its Alaskan assets, including the UKMP, and South32 would contribute the Subscription Price (as defined below) to a newly formed and jointly held, limited liability company (“LLC”) (see note 4(a)).

To maintain the option in good standing, South32 was required to fund a minimum of $10 million per year for up to a three-year period, which funds were to execute a mutually agreed upon program at the UKMP. The funds provided by South32 could only be expended in accordance with an approved program by a technical committee with equal representation from Trilogy and South32. South32 could exercise its option at any time over the three-year period to enter into the 50/50 joint venture. To subscribe for 50% of the joint venture, the Option Agreement provided that South32 must contribute $150 million, plus (i) any amounts Trilogy spends on matched parallel funding to a maximum of $16 million over the three-year period and (ii) $5 million if the option had been exercised between April 1, 2018 and March 31, 2019 or $10 million if the option was exercised between April 1, 2019 and the expiration date of the option, less the amount of the initial funding contributed by South32 (the “Subscription Price”). South32

funded the full three-year option period. During the year ended November 30, 2020, South32 elected to exercise the option to form the LLC and made the Subscription Price payment on February 5, 2020 (see note 4 (a)).

As the initial option payments were credited against the future subscription price upon exercise, the Company accounted for the payments received from South32 as deferred consideration for the purchase of the UKMP interest. The $31.0 million of payments received were recognized as part of the consideration received for the Company's contribution of the UKMP into the LLC.

The option to form the LLC was recognized as a financial instrument at inception of the arrangement with an initial fair value of $nil. This option was required to be re-measured at fair value at each reporting date with any changes in fair value recorded in loss for the period. The Company determined that the fair value of the option remained $nil during the option period and through to the formation of the Joint Venture on February 11, 2020.

(d) Mineral properties expense

The following table summarizes mineral properties expense for the UKMP, Alaska, USA for the years ended November 30, 2021, 2020 and 2019, and includes expenditures funded by South32 up to the formation of the Joint Venture on February 11, 2020, as applicable.

In thousands of dollars

	2021 $	2020 $	2019 $
Alaska, USA			
Community	—	137	596
Drilling	—	—	5,194
Engineering	—	723	2,410
Environmental	—	99	611
Geochemistry and geophysics	—	12	1,259
Land and permitting	—	134	744
Project support	—	249	4,652
Other income	—	—	(13)
Wages and benefits	—	191	3,758
	—	**1,545**	**19,211**

Mineral property expenses consisted of direct drilling, personnel, community, resource reporting and other exploration expenses as outlined above, as well as indirect project support expenses such as fixed wing charters, helicopter support, fuel, and other camp operation costs. Other than the feasibility costs related to the Arctic project funded directly by the Company, no additional mineral properties expenses were incurred subsequent to the formation of the joint venture, as on February 11, 2020, upon the formation of the Joint Venture with South32, all mineral properties previously held by the Company were contributed to Ambler Metals.

The Company funded the Arctic Project feasibility study costs of $1.1 million since the formation of the Joint Venture on February 11, 2020. Prior to the formation of the Joint Venture, the Company had also incurred $0.7 million in Arctic Project feasibility costs that are included in the mineral properties expense balance of $1.5 million for the year ended November 30, 2020.

Cumulative mineral properties expense in Alaska from the initial earn-in agreement on the property in 2004 to the formation of the Joint Venture on February 11, 2020 was $115.3 million and cumulative acquisition costs were $30.6 million. Cumulative spend to date totaled $147 million. On February 11, 2020, upon the formation of the joint venture with South32, the acquisition costs of $30.6 million were derecognized upon the contribution of the mineral properties to Ambler Metals.

(e) Derecognition

As part of the formation of the Joint Venture with South32 on February 11, 2020, Trilogy contributed all its assets associated with the UKMP, including the Arctic and Bornite projects. As a result, machinery and equipment with a carrying value of $0.62 million as well as $30.6 million of mineral properties related to the UKMP were derecognized by Trilogy on February 11, 2020.

7) Accounts payable and accrued liabilities

in thousands of dollars

	November 30, 2021 $	November 30, 2020 $
Trade accounts payable	205	226
Accrued liabilities	105	198
Accrued salaries and vacation	542	464
Accounts payable and accrued liabilities	**852**	**888**

8) Leases

(a) Right-of-use asset

in thousands of dollars

	$
ASC transition as at December 1, 2019	681
Net amortization	(112)
Derecognition of Fairbanks warehouse lease	(93)
Balance as at November 30, 2020	476
Net amortization	(150)
Previously classified in fixed assets	156
Balance as at November 30, 2021	**482**

The pre-transition rent deposit of approximately $114,000 was transferred to the Right-of-use asset upon adoption of ASC 842 on December 1, 2019 and is included in the opening balance of approximately $681,000.

(b) Lease liabilities

The Company's lease arrangements primarily consist of an operating lease for our office space ending in June 2024. There are no extension options.

Total lease expense recorded within general and administrative expenses was comprised of the following components:

in thousands of dollars

	Year ended November 30, 2021 $	Year ended November 30, 2020 $
Operating lease costs	187	162
Variable lease costs	122	131
Total lease expense	**309**	**293**

Variable lease costs consist primarily of the Company's portion of operating costs associated with the office space lease as the Company elected to apply the practical expedient not to separate lease and non-lease components.

As of November 30, 2021, the remaining lease term was 2.5 years and the discount rate is 8%. Significant judgment was used in the determination of the incremental borrowing rate which included estimating the Company's credit rating.

Supplemental cash and non-cash information relating to our leases during the year ended November 30, 2021 are as follows:

- Cash paid for amounts included in the measurement of lease liabilities was $201,783.

During the year ended November 30, 2020, no cash was paid upon termination of a lease for office and warehouse space and reassignment to Ambler Metals that resulted in the derecognition of the right-of-use asset of $92,974 and the operating lease liability of $93,006.

Future minimum payments relating to the lease recognized in our balance sheet as of November 30, 2021 are as follows:

in thousands of dollars

Fiscal year	November 30, 2021 $
2022	204
2023	210
2024	35
Total undiscounted lease payments	449
Effect of discounting	(35)
Present value of lease payments recognized as lease liability	**414**

9) Share capital

Authorized:

unlimited common shares, no par value

in thousands of dollars, except share amounts

	Number of shares	Ascribed value $
November 30, 2019	**140,427,761**	**177,971**
Exercise of options	3,297,588	1,133
Restricted Share Units	412,501	642
November 30, 2020	**144,137,850**	**179,746**
Exercise of options	871,961	1,074
November 30, 2021, issued and outstanding	**145,009,811**	**180,820**

On April 30, 2012, under the NovaGold Arrangement, Trilogy committed to issue common shares to satisfy holders of NovaGold deferred share units ("NovaGold DSUs"), once vested, on record as of the close of business April 27, 2012. When vested, Trilogy committed to deliver one common share to the holder for every six shares of NovaGold the holder is entitled to receive, rounded down to the nearest whole number. As of November 30, 2021, a total of 11,927 NovaGold DSUs remain outstanding representing a right to receive 1,988 Common Shares in Trilogy, which will settle upon certain directors retiring from NovaGold's board.

(a) Stock options

The Company has a stock option plan providing for the issuance of options with a rolling maximum number equal to 10% of the issued and outstanding Common Shares at any given time. The Company may grant options to its directors, officers, employees and service providers. The exercise price of each option cannot be lower than the greater of market price or fair market value of the Common Shares (as such terms are defined in the plan) at the date of the option grant. The number of Common Shares optioned to any single optionee may not exceed 10% of the issued and outstanding Common Shares at the date of grant. The options are exercisable for a maximum of five years from the date of grant and may be subject to vesting provisions.

During the year ended November 30, 2021, a total of 3,374,150 options (2020 – 4,445,000 options, 2019 – 3,077,500) at a weighted-average exercise price of CDN$2.52 (2020 - CDN$2.79, 2019 – CDN$2.86) were granted to employees, service providers and directors exercisable for a period of five years with various vesting terms from immediate vesting to over a two-year period. The weighted-average fair value attributable to options granted in 2021 was $0.84 (2020 - $0.90, 2019 - $1.03).

The fair value of the stock options recognized in the period has been estimated using the Black-Scholes option pricing model.

Assumptions used in the pricing model for the period are as provided below.

	November 30, 2021
Risk-free interest rates	0.31%
Exercise price	1.98
Expected life	3 years
Expected volatility	64.4%
Expected dividends	Nil

The Company recognized a stock option expense of $3.3 million for the year ended November 30, 2021 (2020 - $3.1 million; 2019 - $2.9 million), net of forfeitures.

As of November 30, 2021, there were 2,526,338 non-vested options outstanding with a weighted average exercise price of $2.06. The non-vested stock option expense not yet recognized was $0.5 million. This expense is expected to be recognized over the next two years. The exercise prices have been converted to US dollars based on the November 30, 2021 closing foreign exchange rate of CAD$1.00 = US$0.7817.

A summary of the Company's stock option plan and changes during the year ended is as follows:

	November 30, 2021	
	Number of options	Weighted average exercise price $
Balance – beginning of the year	8,647,500	1.87
Granted	3,374,150	1.97
Exercised	(1,330,326)	1.14
Cancelled	(140,666)	2.38
Forfeited	(11,334)	2.09
Balance – end of the year	**10,539,324**	**1.99**

The following table summarizes information about the stock options outstanding at November 30, 2021.

	Outstanding			Exercisable		Unvested
Range of exercise price	Number of outstanding options	Weighted average years to expiry	Weighted average exercise price $	Number of exercisable options	Weighted average exercise price $	Number of unvested options
$0.55 to $1.00	876,674	0.95	0.78	876,674	0.78	—
$1.01 to $1.50	75,000	1.06	1.15	75,000	1.15	—
$1.51 to $2.00	4,265,150	3.78	1.95	2,775,483	1.93	1,489,667
$2.01 to $2.50	5,285,000	2.98	2.23	4,248,329	2.24	1,036,671
$2.51 to $2.67	37,500	2.47	2.67	37,500	2.67	—
	10,539,324	**3.12**	**1.99**	**8,012,986**	**1.97**	**2,526,338**

The aggregate intrinsic value of vested share options (the market value less the exercise price) at November 30, 2021 was $0.8 million (2020 - $2.4 million, 2019 - $7.2 million) and the aggregate intrinsic value of exercised options for the year ended November 30, 2021 was $1.4 million (2020 - $2.6 million, 2019 - $2.6 million).

(b) Restricted Share Units and Deferred Share Units

The Company has a Restricted Share Unit Plan ("RSU Plan") and a Non-Executive Director Deferred Share Unit Plan ("DSU Plan") to provide long-term incentives to employees, officers and directors. The RSU Plan and DSU Plan may be settled in cash and/or common shares at the Company's election with each RSU and DSU entitling the holder to receive one common share of the Company or equivalent value. All units are accounted for as equity-settled awards.

There were no RSUs granted during the fiscal year ended November 30, 2021. Directors were granted 58,925 DSUs throughout the year ended November 30, 2021 (2020 – 83,775, 2019 – 137,514) based on their election to receive 50% of their annual retainer in DSUs.

A summary of the Company's DSU Plan and changes during the year ended November 30, 2021 is as follows:

	Number of DSUs
Balance – beginning of the year	1,218,520
Granted	58,925
Balance – end of the year	**1,277,445**

For the year ended November 30, 2021, Trilogy recognized a stock-based compensation expense of $0.1 million (2020 - $0.5 million, 2019 - $0.9 million).

(c) Share purchase warrants

During the year ended November 30, 2019, all the outstanding warrants were exercised in advance of the July 2, 2019 expiry date. As a result of the warrants exercised, the Company issued a total of 6,521,740 common shares and received cash proceeds of approximately $9.9 million. The Company had no warrants outstanding as at November 30, 2021.

10) Management of capital risk

The Company relies upon management to manage capital in order to accomplish the objectives of safeguarding the Company's ability to continue as a going concern in order to pursue the development of our main mineral properties, at the UKMP, through our equity investee (note 4) and maintain a capital structure which optimizes the costs of capital at an acceptable risk. The Company's current capital consists of equity funding through capital markets.

As the Company is currently in the exploration phase none of its financial instruments are exposed to commodity price risk; however, the Company's ability to obtain long-term financing and its economic viability may be affected by commodity price volatility. The Company will need to raise additional funds to support its operations and administration expenses. Future sources of liquidity may include equity financing, debt financing, convertible debt, or other means.

To facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

11) Financial instruments

The Company is exposed to a variety of risks arising from financial instruments. These risks and management's objectives, policies and procedures for managing these risks are disclosed as follows.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, deposits, and accounts payable and accrued liabilities. The fair value of the Company's financial instruments approximates their carrying value due to the short-term nature of their maturity. The Company's financial instruments initially measured at fair value and then held at amortized cost include cash and cash equivalents, accounts receivable, deposits, and accounts payable and accrued liabilities.

Financial risk management

The Company's activities expose them to certain financial risks, including currency risk, credit risk, liquidity risk, interest risk and price risk.

(a) Currency risk

Currency risk is the risk of a fluctuation in financial asset and liability settlement amounts due to a change in foreign exchange rates. The Company operates in the United States and Canada. The Company's exposure to currency risk at November 30, 2021 is limited to the Canadian dollar balances consisting of cash of CDN$247,000, accounts receivable of CDN$23,000 and certain trade payables and accrued personnel costs CDN$946,000. Based on a 10% change in the US-Canadian exchange rate, assuming all other variables remain constant, the Company's net loss would change by approximately $53,000.

(b) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company holds cash and cash equivalents with Canadian Chartered financial institutions. The Company's only significant exposure to credit risk is equal to the balance of cash and cash equivalents as recorded in the financial statements.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties raising funds to meet its financial obligations as they fall due. The Company is in the exploration stage and does not have cash inflows from operations; therefore, the Company manages liquidity risk through the management of its capital structure and financial leverage.

Contractually obligated cash flow requirements as at November 30, 2021 are as follows.

in thousands of dollars

	Total $	< 1 Year $	1–2 Years $	2–5 Years $	Thereafter $
Accounts payable and accrued liabilities	852	852	—	—	—
Office lease	449	204	245	—	—
	1,301	**1,056**	**245**	**—**	**—**

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk with respect to interest earned on cash and cash equivalents. Based on balances as at November 30, 2021, a 1% change in interest rates would result in a change in net loss of approximately $160, assuming all other variables remain constant.

As we are currently in the exploration phase none of our financial instruments are exposed to commodity price risk; however, our ability to obtain long-term financing and its economic viability could be affected by commodity price volatility.

Fair value accounting

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the significance of the inputs used in making the measurement. The three levels of the fair value hierarchy are as follows:

Level 1 — Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 — Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 — Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company did not have any financial assets and liabilities that were measured and recognized at fair value as at November 30, 2021.

12) Income taxes

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to earnings before income taxes. These differences result from the following items:

in thousands of dollars

	November 30, 2021 $	November 30, 2020 $	November 30, 2019 $
Combined federal and provincial statutory tax rate	27.00 %	27.00 %	27.00 %
Income tax (recovery) at statutory rate	(5,848)	43,677	(7,534)
Difference in foreign tax rates	(194)	2,424	(281)
Impact of change in tax rate	—	—	—
Effect of foreign exchange changes	—	(4)	—
Non-deductible expenditures	937	1,009	4,061
Income from option payments applied as proceeds of sale	—	(8,812)	—
Return to provision adjustments	116	(6)	193
Impact of new lease accounting rules (ASC 842 adoption)	—	(28)	—
Expiry of Losses	—	—	277
Change in valuation allowance	4,989	(38,260)	3,284
Income tax recovery (expense)	**—**	—	—

Deferred income taxes arise from temporary differences in the recognition of income and expenses for financial reporting and tax purposes. The significant components of deferred income tax assets and liabilities at November 30, 2021 and 2020 are as follows:

in thousands of dollars

	November 30, 2021 $	November 30, 2020 $
Deferred income tax assets		
Non-capital losses	54,502	51,250
Mineral property interest	447	—
Deferred interest	6,251	6,251
Property, plant and equipment	82	88
Lease liability	112	153
Share issuance costs	103	267
Capital Loss	—	—
Investments	—	—
Other deductible temporary differences	197	223
Total deferred tax assets	61,694	58,232
Valuation allowance	(34,249)	(29,259)
Net deferred income tax assets	**27,445**	**28,973**
Deferred income tax liabilities		
Investment in Ambler Metals LLC	(27,315)	(28,844)
Right of use asset	(130)	(129)
Other taxable temporary differences	—	—
Deferred income tax liabilities	**(27,445)**	**(28,973)**
Net deferred income tax assets	**—**	**—**

The Company has loss carry-forwards of approximately $194 million that may be available for tax purposes. Certain of these losses occurred prior to the incorporation of the Company and are accounted for in the financial statements as if they were incurred by the Company. Prior to the NovaGold Arrangement, the Company undertook a tax reorganization in order to preserve the future deductibility of these losses for the Company, subject to the limitations below. Deferred tax assets have been recognized to the extent of future taxable income and the future taxable amounts related to taxable temporary differences for which a deferred tax liability is recognized can be offset. A valuation allowance has been provided against deferred income tax assets where it is not more likely than not that the Company will realize those benefits.

The losses expire as follows in the following jurisdictions:

in thousands of dollars

	Non-capital losses Canada $	Operating losses United States $
2022	—	366
2023	—	960
2024	—	569
2025	—	1,530
Thereafter	51,808	139,099
	51,808	**142,524**

Future use of U.S. loss carry-forwards is subject to certain limitations under provisions of the Internal Revenue Code including limitations subject to Section 382, which relates to a 50% change in control over a three-year period and are further dependent upon the Company attaining profitable operations. An ownership change under Section 382 occurred on January 22, 2009 regarding losses incurred by AGC, of which the attributes of those losses were transferred to Trilogy Metals US with the purchase of the mineral property in October 2011. Therefore, approximately $39.4 million of the U.S. losses above are subject to limitation under Section 382. Accordingly, the Company's ability to use these losses may be limited. An additional change in control may have occurred after November 30, 2011 which may further limit the availability of losses prior to the date of change in control.

Furthermore, tax reform provisions under Section 172 allow federal net operating losses arising in tax years subsequent to December 31, 2017 to be carried forward indefinitely. As at November 30, 2021 the Company has approximately $21 million in operating losses that can be carried forward indefinitely.

On June 19, 2015, we completed the Sunward acquisition which resulted in an acquisition of control of Sunward Resources ULC under of the Income Tax Act in Canada. Therefore, the Company's ability to use approximately $15.2 million of losses in Canada may be limited.

13) Commitment

The Company has commitments with respect to an office lease requiring future minimum lease payments as summarized in note 8(b).

14) Subsequent events

On December 9, 2021 directors were granted 350,000 stock options and 144,200 DSUs, all vesting immediately. Employees and service providers were granted 1,734,500 stock options, of which 578,166 options vested immediately, with the remainder vesting equally on the first anniversary of the grant date and the second anniversary of the grant date. Employees were also granted 648,600 RSUs, of which 391,332 units vested on the grant date. The remaining 257,268 units vest equally on the first anniversary of the grant date and the second anniversary of the grant date.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted by the Company under U.S. and Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified in those rules, including providing reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to permit timely decisions regarding public disclosure. Management, including the CEO and CFO, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures, as defined in Rule 13a-15(e) and15d-15(e) of the Exchange Act and the rules of Canadian Securities Administrators, as at November 30, 2021. Based on this evaluation, the CEO and CFO have concluded that the Company's disclosure controls and procedures were effective as at November 30, 2021.

Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act and National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim filings. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Management has used the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework (2013) to evaluate the effectiveness of the Company's internal control over financial reporting. Based on this assessment, management has concluded that as at November 30, 2021, the Company's internal control over financial reporting was effective.

Attestation Report of the Registered Public Accounting Firm

This Annual Report does not include an attestation report of the company's registered public accounting firm regarding internal controls over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to law, rules and regulations that permit us to provide only management's report in this Annual Report.

Changes in Internal Controls

There has been no change in our internal control over financial reporting during the quarter ended November 30, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. OTHER INFORMATION

None.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information in our 2022 Proxy Statement regarding directors and executive officers and Section 16 reporting information appearing under the headings "Election of Directors" and "Information Concerning the Board of Directors and Executive Officers" is incorporated by reference in this section. The information under the heading "Executive Officers of Trilogy" in Part I, Item 1 of this Form 10-K is also incorporated by reference in this section. The information in our 2022 Proxy Statement regarding our Code of Business Conduct and Ethics under the subheading "Ethical Business Conduct" under "Statement of Corporate Governance Practices" is also incorporated by reference in this section. Finally, the information in our 2022 Proxy Statement regarding the Audit Committee under the heading "Statement of Corporate Governance Practices" is incorporated herein by reference.

Item 11. EXECUTIVE COMPENSATION

The information appearing in our 2022 Proxy Statement under the headings "Compensation Committee Interlocks and Insider Participation", "Statement of Executive Compensation", and "Director Compensation" is incorporated by reference in this section.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information appearing in our 2022 Proxy Statement under the heading "Securities Authorized For Issuance Under Equity Compensation Plans" (which is also contained in this report in Part II, Item 5) and the information under the heading "Security Ownership Of Certain Beneficial Owners And Management And Related Shareholder Matters" is incorporated herein by reference.

Securities Authorized for Issuance under Equity Compensation Plans

The following table is as of November 30, 2021.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	11,816,769	$ 1.92	9,934,703
Equity compensation plans not approved by security holders	—	—	—
Total	**11,816,769**	**$ 1.92**	**9,934,703**

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information appearing in our 2022 Proxy Statement under the heading "Independence of Directors" under the heading "Information Concerning the Board of Directors and Executive Officers" and under the heading "Statement of Corporate Governance Practices" is incorporated herein by reference.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information appearing in our 2022 Proxy Statement regarding Audit Fees, Audit-Related Fees, Tax Fees, All Other Fees and Audit Committee Pre-Approval Policies under the subheading "Appointment of Auditors" is incorporated herein by reference.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents Filed With This Report

1. FINANCIAL STATEMENTS

2. FINANCIAL STATEMENT SCHEDULES

None.

3. EXECUTIVE COMPENSATION PLANS AND ARRANGEMENTS

Employment Agreement between the Registrant and James Gowans, dated October 21, 2019, identified in exhibit list below.

Amendment Agreement between the Company and James Gowans, dated April 9, 2020, identified in exhibit list below.

Employment Agreement between the Registrant and Tony Giardini, dated April 20, 2020, identified in exhibit list below.

Employment Agreement between the Registrant and Elaine Sanders, dated November 5, 2012, identified in exhibit list below.

NovaCopper Inc. Equity Incentive Plan identified in exhibit list below.

Form of NovaCopper Inc. Stock Option Agreement identified in exhibit list below.

NovaCopper Inc. 2012 Restricted Share Unit Plan identified in exhibit list below.

Form of NovaCopper Inc. 2012 Restricted Share Unit Award Agreement identified in exhibit list below.

NovaCopper Inc. 2012 Deferred Share Unit Plan identified in exhibit list below.

Form of NovaCopper Inc. Deferred Share Unit Award Agreement identified in exhibit list below.

(b) Exhibits

Exhibit No.	Description
2.1	Contribution Agreement, dated February 11, 2020, between NovaCopper US Inc., Trilogy Metals Inc. and Ambler Metals LLC (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on February 18, 2020)
3.1	Certificate of Incorporation (incorporated by reference to Exhibit 99.2 to the Company's Registration Statement on Form 40-F filed on March 1, 2012)
3.2	Articles of Trilogy Metals Inc., effective April 27, 2011, as altered March 20, 2011 (incorporated by reference to Exhibit 99.3 to Amendment No. 1 to the Company's Registration Statement on Form 40-F filed on April 19, 2012)
3.3	Notice of Articles and Certificate of Name Change, dated September 1, 2016 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated September 8, 2016)
4.1	Description of Common Stock (incorporated by reference to Exhibit 4.1 to the Company's Annual Report on Form 10-K filed on February 13, 2020)
10.1	Net Smelter Returns Royalty Agreement, dated effective January 7, 2010, among Kennecott Exploration Company, Kennecott Arctic Company, Alaska Gold Company, and NovaGold Resources Inc. (incorporated by reference to Exhibit 99.1 to the Company's Report on Form 6-K filed on April 25, 2012)
10.2	Exploration Agreement and Option to Lease, dated October 19, 2011, between NovaCopper US Inc. and NANA Regional Corporation, Inc. (incorporated by reference to Exhibit 99.1 to the Company's Report on Form 6-K filed on April 25, 2012)
10.3	Option Agreement to Form Joint Venture, dated April 10, 2017, among the Company, NovaCopper US Inc. and South32 Group Operations Pty Ltd. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K/A filed on April 20, 2017)
10.4	Amended and Restated Limited Liability Company Agreement of Ambler Metals LLC dated February 11, 2020 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 18, 2020)
10.5	NovaCopper Inc. 2012 Restricted Share Unit Plan (incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K filed on February 12, 2013)
10.6	NovaCopper Inc. 2012 Deferred Share Unit Plan (incorporated by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K filed on February 12, 2013, File No. 001-35447)
10.7	Form of NovaCopper Inc. Stock Option Agreement (incorporated by reference to Exhibit 4.5 to the Company's Registration Statement on Form S-8 filed on April 27, 2012)
10.8	NovaCopper Inc. Equity Incentive Plan (incorporated by reference to Schedule G of Exhibit 99.1 to the Company's Registration Statement on Form 40-F filed on March 1, 2012)
10.9	Employment Agreement, dated October 21, 2019, between the Company and James Gowans (incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K filed on February 13, 2020)
10.10	Amendment Agreement, dated April 9, 2020, between the Company and James Gowans (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 9, 2020)

10.11	Employment Agreement, dated April 20, 2020, between the Company and Tony Giardini (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 20, 2020)
10.12	Employment Agreement, dated November 5, 2012, between the Company and Elaine Sanders (incorporated by reference to Exhibit 10.5 to the Company's Registration Statement on Form 10-K filed on February 12, 2013)
10.13	Equity Incentive Plan for Ambler Metals LLC Officers and Employees (incorporated by reference to the Revised Appendix D to the Company's proxy statement filed April 30, 2021)
21.1	Subsidiaries of the Registrant
23.1	Consent of PricewaterhouseCoopers LLP
23.2	Consent of Richard Gosse
23.3	Consent of Bruce M. Davis
23.4	Consent of SIM Geological Inc.
23.5	Consent of International Metallurgical & Environmental Inc.
23.6	Consent of Ausenco Engineering Canada Inc.
23.7	Consent of Wood Canada Limited
23.8	Consent of SRK Consulting (Canada) Inc.
31.1	Certification of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a)
31.2	Certification of the Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a)
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350
101	The following materials from Trilogy Metals Inc.'s Annual Report on Form 10-K for the year ended November 30, 2021, formatted in Inline XBRL (eXtensible Business Reporting Language): (i) the Consolidated Statements of Operations, (ii) the Consolidated Statements of Comprehensive Income (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Shareholders' Equity, (v) the Consolidated Statements of Cash Flows, (vi) the Notes to the Consolidated Financial Statements, and (vii) Schedule II – Valuation and Qualifying Accounts.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

(c) Financial Statement Schedules

Schedule A – The Financial Statement of Ambler Metals LLC as of November 30, 2021.

Schedule A

Report of Independent Registered Public Accounting Firm

To the Board of Ambler Metals LLC

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Ambler Metals LLC (the Company) as of November 30, 2021 and 2020, and the related statements of loss and comprehensive loss, changes in members' equity and cash flows for the year ended November 30, 2021 and for the period from February 11, 2020 to November 30, 2020, including the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of November 30, 2021 and 2020, and the results of its operations and its cash flows for the year ended November 30, 2021 and for the period from February 11, 2020 to November 30, 2020 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Assessment of impairment indicators of mineral properties

As described in Notes 2 and 5 to the financial statements, management assesses the possibility of impairment in the carrying value of mineral properties whenever events or changes in circumstances indicate that the carrying value may not be recoverable (impairment indicators). The carrying value of the Company's mineral properties was $30.8 million as of November 30, 2021. Management applies judgment to assess whether events or changes in circumstances indicate the carrying value of an asset may not be recoverable, giving rise to the requirement to conduct an impairment test. Events or changes in circumstances that could trigger an impairment test include (i) significant adverse changes in the business climate including significant decreases in copper, zinc, and other metal prices, or significant adverse changes in

legal factors, (ii) an accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the mineral properties, and (iii) significant decreases in the market prices of the mineral properties.

The principal considerations for our determination that performing procedures relating to the assessment of impairment indicators of mineral properties is a critical audit matter are that there was judgment by management when assessing whether there were impairment indicators related to the Company's mineral properties, specifically in regards to assessing whether there were: (i) significant adverse changes in the business climate including significant decreases in copper, zinc, and other metal prices, or significant adverse changes in legal factors, (ii) an accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the mineral properties, and (iii) significant decreases in the market prices of the mineral properties. This in turn led to a high degree of auditor judgment and subjectivity in performing procedures to evaluate audit evidence relating to the judgment made by management in their assessment of impairment indicators that could give rise to the requirement to conduct an impairment test.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. These procedures included, among others, (i) evaluating whether there were significant adverse changes in the business climate including significant decreases in copper, zinc, and other metal prices by considering external market and industry data, (ii) evaluating whether there were significant adverse changes in legal factors with respect to title matters by obtaining on a sample basis evidence to support the rights to the mineral properties, (iii) evaluating whether there were significant decreases in the market prices of the mineral properties by considering prolonged declines in Trilogy Metals Inc.'s share price, and (iv) evaluating whether there was an accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the mineral properties, or other factors that may indicate that the carrying values of the mineral properties may not be recoverable, through consideration of evidence obtained in other areas of the audit.

/s/ PricewaterhouseCoopers LLP

Chartered Professional Accountants
Vancouver, Canada
February 10, 2022

We have served as the Company's auditor since 2020.

Ambler Metals LLC

Balance Sheet
As of November 30, 2021 and 2020

in thousands of US dollars

	November 30, 2021 $	November 30, 2020 $
Assets		
Current assets		
Cash (note 3)	61,205	81,673
Deposits and prepaid	621	543
Current loan receivable (note 1,8)	19,029	-
Other assets	2	10
Total current assets	80,857	82,226
Right of use asset (note 7)	877	51
Loan receivable (note 1,8)	36,326	58,478
Property, plant and equipment (note 4)	557	531
Mineral properties (note 5)	30,757	30,705
Total assets	149,374	171,991
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 6,8)	4,148	1,445
Current lease liabilities (note 7)	224	51
Total current liabilities	4,372	1,496
Long term lease liability (note 7)	671	-
Total liabilities	5,043	1,496
Members' equity		
Owner contribution - South 32	145,000	145,000
Owner contribution - Trilogy	31,206	31,206
Accumulated deficit	(31,875)	(5,711)
Total members' equity	144,331	170,495
Total liabilities and members equity	149,374	171,991

(See accompanying notes to the financial statements)

Ambler Metals LLC

Statement of Loss and Comprehensive Loss
For the Years Ended November 30

in thousands of US dollars

	12 months ended November 30, 2021 $	February 11, 2020 - November 30, 2020 $
Expenses		
Depreciation	77	95
Corporate salaries and wages	2,421	614
General and administrative	756	653
Lease expense	276	48
Mineral property expense (note 5)	22,639	3,488
Professional fees	1,047	1,990
Foreign exchange (gain)/loss	6	3
Total expenses	**27,222**	**6,891**
Other items		
Interest income	(1,058)	(1,180)
Loss and comprehensive loss for the period	**26,164**	**5,711**

(See accompanying notes to the financial statements)

Ambler Metals LLC

Statement of Changes in Members' Equity
For the Years Ended November 30

in thousands of US dollars

	Number of units outstanding	Trilogy owner contribution $	South32 owner contribution $	Deficit $	Total members' equity $
Opening balance	2,000,000	31,206	145,000	-	176,206
Loss for the period	-	-	-	(5,711)	(5,711)
Balance - November 30, 2020	**2,000,000**	**31,206**	**145,000**	**(5,711)**	**170,495**
Owner contributions	-	-	-	-	-
Loss for the period	-	-	-	(26,164)	(26,164)
Balance - November 30, 2021	**2,000,000**	**31,206**	**145,000**	**(31,875)**	**144,331**

Ambler Metals LLC

Statement of Cash Flows
For the Years Ended November 30

in thousands of US dollars

	12 months ended November 30, 2021 $	February 11, 2020 - November 30, 2020 $
Cash flows from (used in) operating activities		
Loss for the period	(26,164)	(5,711)
Depreciation	77	95
Lease expense	261	-
Lease payments	(243)	-
Change in working capital		
Decrease (increase) in deposits and prepaids	(78)	(543)
Decrease (increase) in other assets	8	(10)
Increase (decrease) in accounts payable and accrued liabilities	2,703	1,445
Interest earned on South32 loan	(1,043)	(978)
Interest received on South32 loan	1,909	-
Cash from (used in) operating activities	**(22,570)**	**(5,702)**
Cash flows from (used in) financing activities		
Cash contributed by South32 upon JV formation	-	145,000
Cash from (used in) financing activities	**-**	**145,000**
Cash flows from (used in) investing activities		
Loan issued to South32	-	(57,500)
Principle payment on South32 loan	2,256	-
Machinery and equipment	(67)	-
Computer hardware and software	-	(7)
Furniture and equipment	(35)	-
Property staking	(52)	(118)
Cash from (used in) investing activities	**2,102**	**(57,625)**
(Decrease) increase in cash	**(20,468)**	**81,673**
Cash - beginning of the period	81,673	-
Cash - end of period	**61,205**	**81,673**

(See accompanying notes to the financial statements)

Ambler Metals LLC

Notes to financial statements

expressed in U.S. dollars, unless otherwise noted

1. Organization & basis of presentation

Ambler Metals LLC (the "Company" or "Joint Venture"), a Delaware limited liability company, is a 50-50 joint venture between NovaCopper US Inc., a wholly owned subsidiary of Trilogy Metals Inc. (collectively "Trilogy"), and South32 USA Exploration Inc., a wholly owned subsidiary of South32 Limited (collectively "South32").

The Company is engaged in the exploration and development of mineral properties with a focus on the Upper Kobuk Mineral Projects ("UKMP"), including the Arctic and Bornite Projects located in Northwest Alaska in the United States of America ("US" or "USA").

On February 11, 2020, pursuant to a contribution agreement among Trilogy, South32 and the Company (the "Contribution Agreement"), Trilogy contributed to the Company substantially all of Trilogy's assets associated with the Upper Kobuk Mineral Projects ("UKMP") located in northwest Alaska in exchange for a 50% membership interest in the Company. Simultaneously, South32 contributed $145 million cash in exchange for a 50% membership interest in the Company.

The operations and governance of the Joint Venture are provided for in the Company's Limited Liability Company Agreement dated February 11, 2020 (the "LLC Agreement").

The mining rights, deposits and property, plant and equipment contributed to the Company from Trilogy are recognized at Trilogy's historical carrying value on the date of contribution. The contributions, including noncash contributions, made to the Company by each respective member on February 11, 2020 are as follows:

Respective contributions to the Joint Venture

in thousands of US dollars

	$
Intangible assets:	
Mining rights	30,587
Trilogy contributed intangible assets	**30,587**
Tangible assets:	
Deposits	1
Property, plant and equipment	618
Trilogy contributed tangible assets	**619**
Cash	145,000
South32 contributed cash	**145,000**
Total capital contributed at inception	**176,206**

As a result of these transactions, Trilogy and South32 each have equal interests in the Company and have equal representation on the Board of the Company.

Following the formation of the Joint Venture, on March 17, 2020 the Company loaned South32 $57.5 million secured by South32's membership interest in Ambler Metals and guaranteed by South32 International Investment Holdings Pty Ltd.,

a wholly owned subsidiary of South32. The loan has a 7-year maturity date and is recorded at amortized cost. The loan repayment terms were such that quarterly payments became due from South32 in 2021 and management expects continued quarterly payments in 2022 based on forecasted expenditures. See note 8 for additional information.

The financial statements have been prepared by management in conformity with generally accepted accounting principles in the United States ("U.S. GAAP") on a going concern basis, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future.

These financial statements have been prepared pursuant to Rule 3-09 of SEC Regulation S-X for inclusion in Trilogy's 10-K/A, as the Company is an equity investee of Trilogy.

2. Summary of significant accounting policies

Property, plant and equipment

Plant and equipment are recorded at cost and depreciation begins when the asset is put into service. Depreciation is calculated on a straight-line basis over the respective assets' estimated useful lives. Depreciation periods by asset class are:

Computer hardware and software	3 years
Machinery and equipment	3 – 10 years
Office furniture and equipment	5 years
Vehicles	3 years
Leasehold Improvements	lease term

Mineral properties and development costs

All direct costs related to the acquisition of mineral property interests are capitalized. Mineral property exploration expenditures are expensed when incurred. When it has been established that a mineral deposit is commercially mineable, an economic analysis has been completed and permits are obtained, the costs subsequently incurred to develop a mine on the property prior to the start of mining operations are capitalized. Capitalized costs will be amortized following commencement of production using the unit of production method over the estimated life of proven and probable reserves.

Impairment of long-lived assets

Management assesses the possibility of impairment in the carrying value of long-lived assets whenever events or changes in circumstances indicate that the carrying amounts of the asset or asset group may not be recoverable. Management calculates the estimated undiscounted future net cash flows relating to the asset or asset group using estimated future prices, proven and probable reserves and other mineral resources, and operating, capital and reclamation costs. When the carrying value of an asset exceeds the related undiscounted cash flows, the asset is written down to its estimated fair value, which is usually determined using discounted future cash flows. Management's estimates of mineral prices, mineral resources, foreign exchange rates, production levels, operating, capital and reclamation costs are subject to risk and uncertainties that may affect the determination of the recoverability of the long-lived asset. It is possible that material changes could occur that may adversely affect management's estimates.

Impairment testing

Management assesses the possibility of impairment in the carrying value of long-lived assets whenever events or changes in circumstances indicate that the carrying amounts of the asset or asset group may not be recoverable. Management applies judgment to assess mineral properties and property, plant and equipment for impairment indicators that could give rise to the requirement to conduct a formal impairment test. Events and circumstances that could trigger an impairment test include, but are not limited to, significant adverse changes in the business climate including significant decreases to copper, zinc and other metal prices or significant adverse changes in legal factors, an accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the long-lived asset, and significant decreases in the market prices for long-lived assets.

Leases

We determine if a contractual arrangement represents or contains a lease at inception. Operating leases are included in right of use assets and lease liabilities on our balance sheet. Assets under finance leases are included in property, plant and equipment and the related lease liabilities in lease liabilities on our balance sheet.

Operating and finance lease right of use assets and lease liabilities are recognized based on the present value of the future lease payments over the lease term at the commencement date. When the rate implicit to the lease cannot be readily determined, we utilize the incremental borrowing rate in determining the present value of the future lease payments. The incremental borrowing rate is the rate of interest our Company would have to pay to borrow on a collateralized basis over a similar term and the amount equal to the lease payments in a similar economic environment.

The operating lease expenses are recognized on a straight-line basis over the lease term and included in lease expenses.

Income taxes

The Company is not a taxable entity for income tax purposes. Accordingly, no recognition is given to income taxes for financial reporting purposes. Tax on the net income (loss) of the Company is borne by the owners through the allocation of taxable income (loss). Net income for financial statement purposes may differ significantly from taxable income for the owners as a result of differences between the tax basis and financial reporting basis of assets and liabilities and the taxable income allocation requirements under the shareholders agreement.

Financial instruments

Loans and receivables are recorded initially at fair value, net of transaction costs incurred, and subsequently at amortized cost using the effective interest rate method. Loans and receivables consist of cash, deposits, and loans receivable. Estimated future credit losses are based on historical credit loss experience and forward-looking considerations. Individual receivables are written off when management deem them to be uncollectible. Further details on credit risk are disclosed in note 9.

Other financial liabilities include accounts payable and accrued liabilities.

Translation of foreign currencies

Foreign denominated monetary assets and liabilities are translated into United States dollars at the exchange rate in effect at the balance sheet date, and non-monetary assets and liabilities at the exchange rate in effect at the time of

acquisition or issue. Income and expenses are translated at rates approximating the exchange rate in effect at the time of transactions. Exchange gains or losses arising on translation are included in income or loss for the period.

The functional currency of the Company and the Company's reporting currency is the United States dollar.

3. Cash

As of November 30, 2021, included in cash is $0.2 million denominated in Canadian dollars and $61 million denominated in United States dollars.

4. Property, plant and equipment

A summary of property, plant and equipment as of November 30, 2021 and November 30, 2020, is as follows:

in thousands of US dollars

	Machinery and equipment $	Computer hardware and software $	Furniture and equipment $	Total $
Cost at February 11, 2020	1,057	12	-	1,069
Accumulated Depreciation	(532)	(6)	-	(538)
Net book value at November 30, 2020	**525**	**6**	**-**	**531**
Cost at November 30, 2020	1,057	12	-	1,069
Additions	67	-	35	102
Assets derecognized	(456)	-	-	(456)
Accumulated Depreciation	(148)	(9)	(1)	(158)
Net book value at November 30, 2021	**520**	**3**	**34**	**557**

5. Mineral properties

in thousands of US dollars

	February 11, 2020 $	Additions $	November 30, 2020 $	Additions $	November 30, 2021 $
Ambler	26,587	118	26,705	52	26,757
Bornite	4,000	-	4,000	-	4,000
	30,587	**118**	**30,705**	**52**	**30,757**

a) Ambler

On February 11, 2020, the Ambler lands in Northwest Alaska, which contains the copper-zinc-lead-gold-silver Artic Project and other mineralized targets within the volcanogenic massive sulfide belt, were contributed to Ambler Metals LLC pursuant to the Contribution Agreement. The Ambler lands are subject to a 1% net smelter return ("NSR") royalty that can be purchased at any time for a one-time payment of $10 million.

Mineral property acquisition costs of $118 thousand and $52 thousand were added to the Ambler land holdings during the period ended November 30, 2020 and November 30, 2021, respectively.

b) Bornite

On February 11, 2020, the exclusive right to explore and the non-exclusive right to access and enter on the Bornite lands, and lands deeded to NANA Regional Corporation, Inc. ("NANA") through the Alaska Native Claims Settlement Act, located adjacent to the Ambler lands in Northwest Alaska, were contributed to Ambler Metals LLC pursuant to the Contribution Agreement.

Upon a decision to proceed with construction of a mine on the Ambler or Bornite lands, NANA maintains the right to purchase between a 16%-25% ownership interest in the mine or retain a 15% net proceeds royalty which is payable after Ambler Metals LLC has recovered certain historical costs, including capital and cost of capital. Should NANA elect to purchase an ownership interest, consideration will be payable equal to all historical costs incurred on the properties at the elected percentage, not to be less than zero. The parties would form a joint venture and be responsible for all future costs, including capital costs of the mine based on their pro-rata share.

NANA would also be granted a net smelter return royalty of between 1% and 2.5% upon the execution of a mining lease or a surface use agreement, the amount of which is determined by the classification of land from which production originates.

c) Mineral properties expense

The following table summarizes mineral properties expense incurred November 30, 2021 and November 30, 2020, respectively. Prior year Ambler Access Project expense of $261 thousand was previously classified as general and administrative expense and was reclassed to mineral properties to reflect current year presentation.

in thousands of US dollars

	12 months ended November 30, 2021 $	February 11, 2020 - November 30, 2020 $
Ambler Access Project	2,880	261
Community	114	-
Drilling	3,898	444
Engineering	1,508	645
Environmental	621	245
Geochemistry and geophysics	975	171
Land and permitting	1,266	232
Project support	8,347	320
Safety and risk	228	-
Wages and benefits	2,803	1,170
Mineral property expense	**22,639**	**3,488**

6. Accounts payable and accrued liabilities

in thousands of US dollars

	November 30, 2021 $	November 30, 2020 $
Accounts payable	844	444
Accrued demobilization charges	113	339
Accrued salaries and vacation	1,082	232
Due to related parties	-	114
Other accrued liabilities	2,109	316
Accounts payable and accrued liabilities	**4,148**	**1,445**

7. Leases

(a) Right of use assets

in thousands of US dollars

	November 30, 2021 $	November 30, 2020 $
Opening balance	51	93
Recognition of right of use asset	1,046	-
Amortization	(220)	(42)
Right of use asset	**877**	**51**

In December 2020, the Company commenced a lease for their headquarters office in Anchorage, Alaska and recognized the right of use asset approximately $816 thousand. In August 2021, the company commenced a new lease for a warehouse in Fairbanks, Alaska and recognized the right of use asset of approximately $231 thousand. The Company's lease arrangement for a previously recognized warehouse in Fairbanks, Alaska ended in October 2021. Total lease expense recorded was comprised of operating lease costs of $261 thousand, variable lease costs of $nil and property taxes of $15 thousand. As of November 30, 2021, the remaining lease term was 49 months for the headquarters office and 32 months for the warehouse.

Supplemental cash and non-cash information relating to our leases during the year ended November 30, 2021 are as follows:

- Cash paid for amounts included in the measurement of lease liabilities was $243 thousand.
- Non-cash amounts included in the measurement of lease liabilities was $nil.

Future minimum payments relating to the lease recognized in our balance sheet as of November 30, 2021 are as follows:

in thousands of US dollars

	November 30, 2021 $
2022	262
2023 to 2025	716
Total undiscounted lease payments	978
Effects of discounting	(82)
Present value of lease payments recognized as lease liability	**895**

8. Related party transactions

The Company's Service Agreement between Trilogy and the Company dated February 18, 2020 ("Services Agreement") ended December 31, 2020 with minimal expenses for the year ended November 30, 2021. For the year ended November 30, 2020, the Company incurred $932 thousand of expenses related to employee compensation, payroll processing fees, office supplies, and accounting services in connection with the Services Agreement and the Company made payments of $2,772 thousand related to operating expenses paid by Trilogy and reimbursed by the Company pursuant to the Services Agreement.

As of November 30, 2021, included in accounts payable owed to Trilogy and South32 is $nil and as of November 30, 2020, is $114 thousand due to Trilogy.

For the year ended November 30, 2021, the Company earned interest of $1 million ($1 million for November 30, 2020), from the loan to South32 and received payments on the loan of $4.2 million, of which, $1.9 million applied to interest and $2.3 million applied to principal.

9. Financial risk management

(a) Currency risk

Currency risk is the risk of a fluctuation in financial asset and liability settlement amounts due to a change in foreign exchange rates. The Company operates in the United States and holds a bank account denominated in Canadian currency to facilitate payments to Canadian vendors, as necessary. The Company's exposure to the currency risk at November 30, 2021 is limited to the Canadian dollar balances consisting of cash of CDN $252 thousand and accounts payable of CDN $75 thousand. Based on a 10% change in the US-Canadian exchange rate, assuming all other variables remain constant, the Company's net change would be approximately $14 thousand.

(b) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company holds cash with a financial institution that is federally insured through FDIC. The Company's receivables consist of a loan receivable from South32. The Company's exposure to credit risk is equal to the balance of cash and loan receivables recorded in the financial statements.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties raising funds to meet its financial obligations as they fall due. The Company is in the exploration stage and does not have cash inflows from operations; therefore, the Company manages liquidity risk through the terms of the LLC Agreement.

Contractually obligated cash flow requirements as of November 30, 2021 are as follows:

in thousands of US dollars

	Total $	<1 year $	1-2 year $	2-5 years $	There after $
Accounts payable and accrued liabilities	4,148	4,148	-	-	-
Warehouse and office lease	978	262	266	450	-
	5,126	**4,410**	**266**	**450**	**-**

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk with respect to interest earned on cash and the loan receivable from South32. Based on cash balances as of November 30, 2021, a 1% change in interest rates would result in a negligible change in cash, over a 12-month period, assuming all other variables remain constant.

As we are currently in the exploration phase, none of our financial instruments are exposed to commodity price risk; however, the ability for our Owners to obtain long-term financing and its economic viability could be affected by commodity price volatility.

10. Commitments and contingencies

The Company has commitments with respect to a warehouse and office lease requiring future minimum lease payments as summarized in note 7.

11. Members' equity

The Company has been established as a limited liability company. Under the terms of the LLC Agreement, unless otherwise provided for in the LLC Agreement, all membership interests are entitled to the same benefits, rights, duties and obligations and vote on all matters.

The Company is authorized to establish a capital account for each member equal to that member's initial capital contribution, represented by Units. The Units are voting and subject to transfer restrictions as defined in the LLC Agreement. As of November 30, 2021 and 2020, the Company had 2 million Units, with each of South32 and Trilogy owning 1 million Units each, in exchange for the contributions made to the Company at inception.

As described in the LLC Agreement, under certain circumstances a member shall have the right to transfer to any third party all or any part of its Membership Interest or any economic interest, (including its right to receive distributions of cash or property from the Company). Any such transfer is subject to the satisfaction of certain conditions, and the relevant purchase price is determined pursuant to specific formulas, all as set forth in the LLC Agreement.

Item 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TRILOGY METALS INC.

By: /s/ Tony Giardini
Name:Tony Giardini
Title: President and Chief Executive Officer

Date: February 11, 2022

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Tony Giardini Tony Giardini	President and Chief Executive Officer (Principal Executive Officer) and Director	February 11, 2022
/s/ Elaine Sanders Elaine Sanders	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	February 11, 2022
/s/ James Gowans James Gowans	Director	February 11, 2022
/s/ William Hayden William Hayden	Director	February 11, 2022
/s/ William Hensley William Hensley	Director	February 11, 2022
/s/ Gregory Lang Gregory A. Lang	Director	February 11, 2022
/s/ Kalidas Madhavpeddi Kalidas V. Madhavpeddi	Director	February 11, 2022
/s/ Janice Stairs Janice Stairs	Director	February 11, 2022
/s/ Diana Walters Diana Walters	Director	February 11, 2022

Exhibit 21.1

SUBSIDIARIES OF THE REGISTRANT

Name of Subsidiary	Jurisdiction of Organization
NovaCopper US Inc. (dba Trilogy Metals US)	Delaware
Ambler Metals LLC (50% owned by NovaCopper US Inc.)	Delaware
995 Exploration Inc.	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-181020, No. 333-188950, No. 333-205102, No. 333-208149, No. 333-234417, and No. 333-257095) and Form S-3 (No. 333-234164) of Trilogy Metals Inc. of (i) our report dated February 10, 2022, relating to the consolidated financial statements of Trilogy Metals Inc., and (ii) our report dated February 10, 2022 relating to the financial statements of Ambler Metals LLC, both of which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, Canada

February 10, 2022

Exhibit 23.2

CONSENT OF RICHARD GOSSE

I hereby consent to the inclusion in this Annual Report on Form 10-K, which is being filed with the United States Securities and Exchange Commission, of references to my name and to the use of the scientific and technical information included in Trilogy Metals Inc.'s Annual Report on Form 10-K for the year ended November 30, 2021.

I also consent to the incorporation by reference in Trilogy Metals Inc.'s Registration Statements on Form S-8 (No. 333-181020, No. 333-188950, No. 333-205102, No. 333-208149, No. 333-234417 and No. 333-257095) and the Registration Statement on Form S-3 (No. 333-234164) of references to my name and to the use of the scientific and technical information included in the Annual Report on Form 10-K as described above.

DATED: February 8, 2022

/s/ Richard Gosse
Name: Richard Gosse

Exhibit 23.3

CONSENT OF BRUCE M. DAVIS

The undersigned hereby consents to the inclusion in or incorporation by reference in (i) the Form 10-K of Trilogy Metals Inc. being filed with the U.S. Securities and Exchange Commission (the "SEC") for the fiscal year ended November 30, 2021 and (ii) the registration statements on Form S-3 (No. 333-234164) and Form S-8 (No. 333-181020, No. 333-188950, No. 333-205102, No. 333-208149, No. 333-234417 and No. 333-257095) (the "Registration Statements") of Trilogy Metals Inc. filed with the SEC, to any amendments or post-effective amendments to the Registration Statements and to any prospectuses or prospectus supplements thereto, of references to Mr. Davis' name and to the use of the technical reports titled (x) "Arctic Feasibility Study, Alaska, USA, NI 43-101 Technical Report" dated effective August 20, 2020 and released October 2, 2020 and (y) "NI 43-101 Technical Report on the Bornite Project, Northwest Alaska, USA" dated February 11, 2022, with an effective date of December 31, 2021 (the "Technical Reports"), and the use of scientific and technical information, including any reserve and resource estimates, from the Technical Reports (collectively, the "Technical Information"), including extracts from or summaries of the Technical Information.

DATED: February 9, 2022

/s/ Bruce M. Davis
Name: Bruce M. Davis
Title: Independent Consultant

Exhibit 23.4

CONSENT OF SIM GEOLOGICAL INC.

The undersigned hereby consents to the inclusion in or incorporation by reference in (i) the Form 10-K of Trilogy Metals Inc. being filed with the U.S. Securities and Exchange Commission (the "SEC") for the fiscal year ended November 30, 2021 and (ii) the registration statements on Form S-3 (No. 333-234164) and Form S-8 (No. 333-181020, No. 333-188950, No. 333-205102, No. 333-208149, No. 333-234417 and No. 333-257095) (the "Registration Statements") of Trilogy Metals Inc. filed with the SEC, to any amendments or post-effective amendments to the Registration Statements and to any prospectuses or prospectus supplements thereto, of references to SIM Geological Inc.'s name and to the use of the technical reports titled (x) "Arctic Feasibility Study, Alaska, USA, NI 43-101 Technical Report" dated effective August 20, 2020 and released October 2, 2020 and (y) "NI 43-101 Technical Report on the Bornite Project, Northwest Alaska, USA" dated February 11, 2022, with an effective date of December 31, 2021 (the "Technical Reports"), and the use of scientific and technical information, including any reserve and resource estimates, from the Technical Reports (collectively, the "Technical Information"), including extracts from or summaries of the Technical Information.

DATED: February 11, 2022

SIM Geological Inc.

/s/ Robert Sim

Name: Robert Sim
Title: President

Exhibit 23.5

CONSENT OF INTERNATIONAL METALLURGICAL & ENVIRONMENTAL INC.

The undersigned hereby consents to the inclusion in or incorporation by reference in (i) the Form 10-K of Trilogy Metals Inc. being filed with the U.S. Securities and Exchange Commission (the "SEC") for the fiscal year ended November 30, 2021 and (ii) the registration statements on Form S-3 (No. 333-234164) and Form S-8 (No. 333-181020, No. 333-188950, No. 333-205102, No. 333-208149, No. 333-234417 and No. 333-257095) (the "Registration Statements") of Trilogy Metals Inc. filed with the SEC, to any amendments or post-effective amendments to the Registration Statements and to any prospectuses or prospectus supplements thereto, of references to International Metallurgical & Environmental Inc.'s name and to the use of the technical reports titled (x) "Arctic Feasibility Study, Alaska, USA, NI 43-101 Technical Report" dated effective August 20, 2020 and released October 2, 2020 and (y) "NI 43-101 Technical Report on the Bornite Project, Northwest Alaska, USA" dated February 11, 2022, with an effective date of December 31, 2021 (the "Technical Reports"), and the use of scientific and technical information, including any reserve and resource estimates, from the Technical Reports (collectively, the "Technical Information"), including extracts from or summaries of the Technical Information.

DATED: February 9, 2022

International Metallurgical & Environmental Inc.

/s/ Jeffrey Austin
Name: Jeffrey B. Austin
Title: President

Exhibit 23.6

CONSENT OF AUSENCO ENGINEERING CANADA INC.

The undersigned hereby consents to the inclusion in or incorporation by reference in (i) the Form 10-K of Trilogy Metals Inc. being filed with the U.S. Securities and Exchange Commission (the "SEC") for the fiscal year ended November 30, 2021 and (ii) the registration statements on Form S-3 (No. 333-234164) and Form S-8 (No. 333-181020, No. 333-188950, No. 333-205102, No. 333-208149, No. 333-234417 and No. 333-257095) (the "Registration Statements") of Trilogy Metals Inc. filed with the SEC, of references to Ausenco Engineering Canada Inc.'s name and to the use of those sections of the technical report titled "Arctic Feasibility Study, Alaska, USA, NI 43-101 Technical Report" dated effective August 20, 2020 and released October 2, 2020 (the "Technical Report") that were prepared by Ausenco Engineering Canada Inc., and the use of scientific and technical information from the Technical Report that was prepared by Ausenco Engineering Canada Inc. (collectively, the "Technical Information"), including extracts from or summaries of the Technical Information.

DATED: January 27, 2022

Ausenco Engineering Canada Inc.

/s/ Paul Staples
Name: Paul Staples
Title: Vice President and Global Practice Lead, Minerals and Metals

Exhibit 23.7

CONSENT OF WOOD CANADA LIMITED,

The undersigned hereby consents to the inclusion in or incorporation by reference in (i) the Form 10-K of Trilogy Metals Inc. being filed with the U.S. Securities and Exchange Commission (the "SEC") for the fiscal year ended November 30, 2021 and (ii) the registration statements on Form S-3 (No. 333-234164) and Form S-8 (No. 333-181020, No. 333-188950, No. 333-205102, No. 333-208149, No. 333-234417 and No. 333-257095) (the "Registration Statements") of Trilogy Metals Inc. filed with the SEC, to any amendments or post-effective amendments to the Registration Statements and to any prospectuses or prospectus supplements thereto, of references to Wood Canada Limited's name and to the use of the technical report titled "Arctic Feasibility Study, Alaska, USA, NI 43-101 Technical Report" dated effective August 20, 2020 and released October 2, 2020 (the "Technical Report"), and the use of scientific and technical information, including any reserve and resource estimates, from the portions of the Technical Report prepared by Wood Canada Limited (collectively, the "Technical Information"), including extracts from or summaries of the Technical Information.

DATED: February 3, 2022

On behalf of Wood Canada Limited

/s/ Greg Gosson
Name: Greg Gosson
Title: Technical Director, Geology & Compliance

Exhibit 23.8

CONSENT OF SRK CONSULTING (CANADA) INC.

The undersigned hereby consents to the inclusion in or incorporation by reference in (i) the Form 10-K of Trilogy Metals Inc. being filed with the U.S. Securities and Exchange Commission (the "SEC") for the fiscal year ended November 30, 2021 and (ii) the registration statements on Form S-3 (No. 333-234164) and Form S-8 (No. 333-181020, No. 333-188950, No. 333-205102, No. 333-208149, No. 333-234417 and No. 333-257095) (the "Registration Statements") of Trilogy Metals Inc. filed with the SEC, to any amendments or post-effective amendments to the Registration Statements and to any prospectuses or prospectus supplements thereto, of references to SRK Consulting (Canada) Inc.'s name and to the use of the technical report titled "Arctic Feasibility Study, Alaska, USA, NI 43-101 Technical Report" dated effective August 20, 2020 and released October 2, 2020 (the "Technical Report"), and the use of scientific and technical information, including any reserve and resource estimates, from the Technical Report (collectively, the "Technical Information"), including extracts from or summaries of the Technical Information.

DATED: February 4, 2022

SRK Consulting (Canada) Inc.

/s/ Calvin Boese

Name: Calvin Boese
Title: Principal Geotechnical Engineer

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO RULE 13a-14(a) OF THE

SECURITIES EXCHANGE ACT OF 1934

I, Tony Giardini, certify that:

1. I have reviewed this annual report on Form 10-K of Trilogy Metals Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: */s/ Tony Giardini*
Tony Giardini
Chief Executive Officer

Date: February 11, 2022

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO RULE 13a-14(a) OF THE

SECURITIES EXCHANGE ACT OF 1934

I, Elaine Sanders, certify that:

1. I have reviewed this annual report on Form 10-K of Trilogy Metals Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: */s/ Elaine Sanders*
Elaine Sanders
Chief Financial Officer

Date: February 11, 2022

Exhibit 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. §1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Trilogy Metals Inc. (the "Company") on Form 10-K for the year ended November 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Tony Giardini, Chief Executive Officer of the Company, certify that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 11, 2022

By: */s/ Tony Giardini*
Tony Giardini
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. §1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Trilogy Metals Inc. (the "Company") on Form 10-K for the year ended November 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Elaine Sanders, Chief Financial Officer of the Company, certify that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 11, 2022

By: */s/ Elaine Sanders*
Elaine Sanders
Chief Financial Officer