

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

For the Fiscal Year Ended November 30, 2023

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



(Exact Name of Registrant as Specified in Its Charter)

British Columbia
(State or Other Jurisdiction of
Incorporation or Organization)

Suite 1150, 609 Granville Street
Vancouver, British Columbia
Canada

(Address of Principal Executive Offices)

98-1006991
(I.R.S. Employer
Identification No.)

V7Y 1G5
(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.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

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, 2023, the aggregate market value of the registrant's Common Shares held by non-affiliates was approximately \$98.1 million. As of February 9, 2024, the registrant had 159,749,073 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 29, 2024, in connection with the registrant's 2023 annual meeting of shareholders, are incorporated herein by reference into Part III of this Annual Report on Form 10-K.

TRILOGY METALS INC.
TABLE OF CONTENTS

	<u>Page</u>
CURRENCY	3
FORWARD-LOOKING STATEMENTS	3
PART I	6
Item 1. BUSINESS	6
Item 1A. RISK FACTORS	13
Item 1B. UNRESOLVED STAFF COMMENTS	26
Item 1C. CYBERSECURITY	26
Item 2. PROPERTIES	26
Item 3. LEGAL PROCEEDINGS	81
Item 4. MINE SAFETY DISCLOSURES	81
PART II	81
Item 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES	81
Item 6. [RESERVED]	91
Item 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	92
Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	104
Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA	105
Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE	125
Item 9A. CONTROLS AND PROCEDURES	125
Item 9B. OTHER INFORMATION	125
Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS	125
PART III	126
Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE	126
Item 11. EXECUTIVE COMPENSATION	126
Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS	126
Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE	126
Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES	127
PART IV	127
Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES	127
Item 16. FORM 10-K SUMMARY	144

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, 2023.

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 (“Ambler Access Project” or “AAP”), 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 NI 43-101 Arctic Report and S-K 1300 Arctic Report (as defined herein), the timing of the final SEIS (as defined herein) and a Record of Decision, 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 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 Access Project will receive the requisite permits and, if it does, whether the Alaska Industrial Development and Export Authority (“AIDEA”) will build the AAP;
- risks related to inclement weather which may delay or hinder exploration activities at our mineral properties;

[Table of Contents](#)

- 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;

[Table of Contents](#)

- 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");
- 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"); and
- risks related to the future effects of the COVID-19 pandemic.

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.

TECHNICAL INFORMATION

Richard Gosse, a Qualified Person under NI 43-101 and S-K 1300 (as defined herein) 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

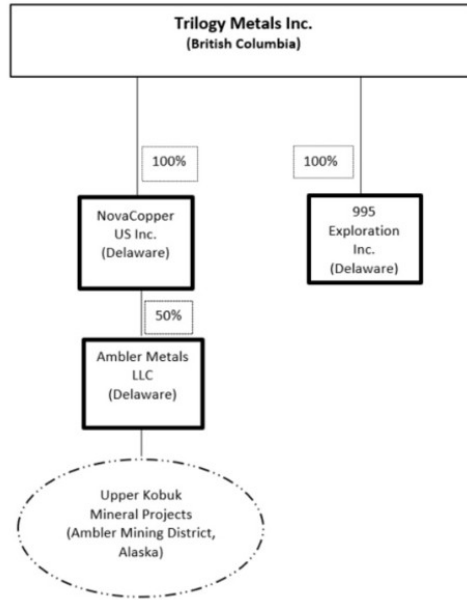
Our principal business is the exploration and development of the Upper Kobuk Mineral Projects ("Upper Kobuk Mineral Projects" or "UKMP" or "UKMP Projects") located in the Ambler Mining District in Northwest Alaska, United States. The Upper Kobuk Mineral Projects are held by Ambler Metals LLC ("Ambler Metals"), a limited liability company owned equally by Trilogy and South32 Limited ("South32"), 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, 2023. 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 Trilog 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 unless otherwise noted.

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.

Trilog'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 and S-K 1300 mineral resources and reserves contained in the Arctic FS, additional metallurgical and geotechnical studies and the advancement of baseline environmental studies;

[Table of Contents](#)

- 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 2023

- On January 25, 2023, the Company announced the second set of drilling results from the 2022 field season at the Upper Kobuk Mineral Projects and on February 27, 2023, the Company announced the third set of drilling results from the 2022 field season at the UKMP.
- On February 14, 2023, the Company announced an updated feasibility study technical report for the Arctic Project and an updated resource for the Bornite Project, and filed NI 43-101 technical reports for both projects with the Canadian securities regulators. In addition, the Company announced technical report summaries for both projects prepared in accordance with S-K 1300 and which were filed as exhibits with the annual report on Form 10-K.
- On April 25, 2023, the Company completed non-brokered private placement of 5,854,545 Common Shares at a price of \$0.55 per Common Share for gross proceeds of \$3.2 million. After legal and stock exchange fees, the Company received net proceeds of \$3.1 million.
- On September 11, 2023 the Company provided an update on the activities at the UKMP with the Bornite camp opening.
- On October 19, 2023, the Company announced that the United States Bureau of Land Management’s (“BLM”) had filed the draft Supplemental Environmental Impact Statement (“SEIS”) on its website <https://eplanning.blm.gov/eplanning-ui/project/57323/570> and anticipated being in the federal register on October 20, 2023. The draft SEIS was open for a 60-day public comment period, until December 19, 2023. The BLM reconfirmed they anticipate a final SEIS is expected in the first quarter of 2024, and a Record of Decision within the second quarter of 2024.

Significant Developments in 2022

- On January 11, 2022, the Company announced the 2022 program and budget of approximately \$28.5 million for the advancement of the UKMP located in Northwestern Alaska. The budget was 100% funded by Ambler Metals.
- On January 20, 2022, the Company announced an updated mineral resource for the Bornite Project.
- On February 7, 2022, the Company announced that the AIDEA had formally approved the proposed plan and budget for the 2022 summer field season activities and services of up to \$30.8 million for the Ambler Access Project. The cost was shared 50/50 by AIDEA and Ambler Metals.
- On February 23, 2022, the Company announced that the United States Department of the Interior (“DOI”) filed a motion to remand the Final Environmental Impact Statement (“FEIS”) and suspend the right-of-way permits issued to AIDEA for the Ambler Access Project. The DOI has stated that the suspension of the road permits will allow it to carry out additional supplemental work on the FEIS. The motion also indicated that the DOI has requested that the lawsuits filed against the DOI by a coalition of national and Alaska environmental non-government organizations be suspended. The lawsuits had been filed in response to the BLM issuance of the Joint Record of Decision (“JROD”), that authorized a right-of-way across federally managed lands for AIDEA and the AAP.

[Table of Contents](#)

- On June 8, 2022, the Company announced that Ambler Metals had commenced mobilization for the upcoming exploration field program at the UKMP.
- On September 21, 2022, the Company announced that the BLM had published in the Federal Register a Notice of Intent (“NOI”) that it will prepare the SEIS for the proposed Ambler Mining District Industrial Access Road. The NOI indicates that:
 - The BLM will accept comments related to the SEIS for 45 days so that the BLM can determine which, if any, additional impacts and resources related to identified deficiencies should be more thoroughly assessed to facilitate integrating the BLM’s National Environmental Policy Act (“NEPA”) analysis with its ongoing Alaska National Interest Lands Conservation Act Section 810 and National Historic Preservation Act Section 106 processes;
 - Input by Alaska Native Tribes and Corporations will continue to be of critical importance and that BLM will continue to consult with these entities under applicable guidance; and
 - Preparation of the SEIS in compliance with NEPA will additionally help the BLM to fulfill its obligations under applicable law.
- On November 23, 2022, the Company announced that the BLM submitted a status report in accordance with the Voluntary Remand dated May 17, 2022 stating that the comment period ended on November 4, 2022 for the scoping process of the SEIS and that the BLM currently anticipates publishing a draft SEIS during the second quarter of calendar year 2023, which will be open for public comment upon publication. The BLM also anticipates publishing a final SEIS, conducting final pre-decision consultation with Alaska Native Tribes and Corporations, and issuing a Record of Decision, all within the fourth quarter of calendar year 2023.

Significant Developments in 2021

- On January 6, 2021, the BLM, the National Park Service 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. 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.

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

[Table of Contents](#)

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

[Table of Contents](#)

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, 2023, we had 5 full-time employees, all except our CEO, 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).

Information About Our Executive Officers

As of November 30, 2023, we had two executive officers, namely Tony Giardini and Elaine Sanders. The following information is presented as of November 30, 2023.

<u>Name and Residence</u>	<u>Age</u>	<u>Held Office Since</u>	<u>Business Experience During Past Five Years</u>
Tony Giardini Rome, Italy <i>Director, President and Chief Executive Officer</i>	64	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 <i>VP, Chief Financial Officer and Corporate Secretary</i>	54	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 future of 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, 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

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 in 2020, 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

[Table of Contents](#)

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 of directors (the "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.

[Table of Contents](#)

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 AAP 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 AAP 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 priorities which may further delay or prevent the proposed AAP.

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 the future of 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.

[Table of Contents](#)

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.

[Table of Contents](#)

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.*"

[Table of Contents](#)

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.

[Table of Contents](#)

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;

[Table of Contents](#)

- 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;

[Table of Contents](#)

- 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.

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 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 tax years ending November 30, 2020 and 2021, but we believe we were a PFIC for the tax years ending November 30, 2018, 2019, 2022 and 2023 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.

Proposed legislation in the U.S. Congress, including changes in U.S. tax law, and the Inflation Reduction Act of 2022, may adversely impact the Company and the value of Common Shares.

Changes to U.S. tax laws (which changes may have retroactive application) could adversely affect the Company or holders of Common Shares. In recent years, many changes to U.S. federal income tax laws have been proposed and made, and additional changes to U.S. federal income tax laws are likely to continue to occur in the future.

The U.S. Congress is currently considering numerous items of legislation which may be enacted prospectively or with retroactive effect, which legislation could adversely impact the Company’s financial performance and the value of Common Shares. Additionally, U.S. states in which we operate or own assets may impose new or increased taxes. If enacted, most of the proposals would be effective for the current or later years. The proposed legislation remains subject to change, and its impact on the Company and purchasers of Common Shares is uncertain.

In addition, the Inflation Reduction Act of 2022 includes provisions that will impact the U.S. federal income taxation of corporations. Among other items, this legislation includes provisions that will impose a minimum tax on the book income of certain large corporations and an excise tax on certain corporate stock repurchases that would be imposed on the corporation repurchasing such stock. It is unclear how this legislation will be implemented by the U.S. Department of the Treasury and we cannot predict how this legislation or any future changes in tax laws might affect the Company or purchasers 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.

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.

Item 1B. UNRESOLVED STAFF COMMENTS

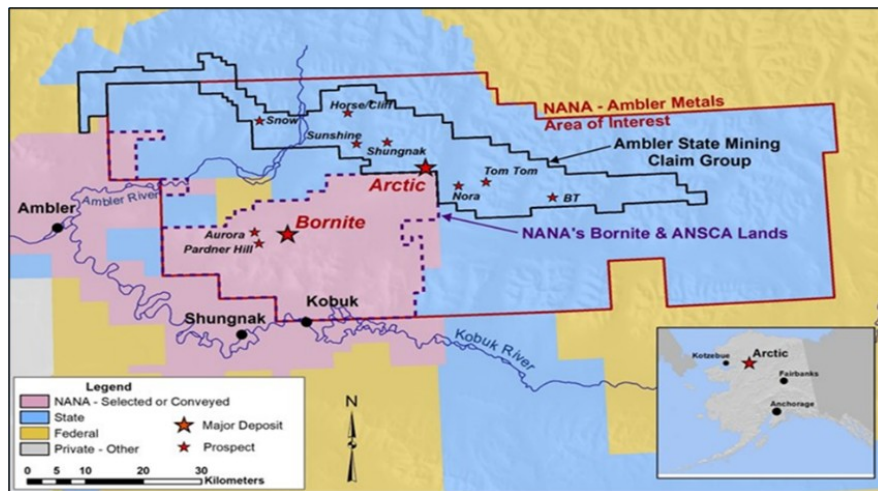
None.

Item 1C. CYBERSECURITY

Not applicable.

Item 2. PROPERTIES

Trilogy's principal business is the exploration and development of the Upper Kobuk Mineral 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, and is comprised of the (i) Arctic Project, a development stage property, which contains a high-grade polymetallic volcanogenic massive sulfide deposit; and (ii) Bornite Project, an exploration stage property, which contains a carbonate-hosted copper - cobalt deposit.



Mineral Resource Summary Table as of November 30, 2023

Project	Resource	Tonnage	Average Grade					Contained Metal Content				
			Cu	Pb	Zn	Au	Ag	Cu	Pb	Zn	Au	Ag
Alaska	Category	(Mt)	(%)	(%)	(%)	(g/t)	(g/t)	(Mlb)	(Mlb)	(Mlb)	(koz)	(Moz)
Arctic – 50% Attributable Interest	Inferred	2.25	1.92	0.70	2.93	0.43	35.6	94.5	34.5	144	31	2.5
Bornite – 50% Attributable Interest	Inferred	101.3	1.46					3,257				

Notes:

1. A Qualified Person and an employee of the Company, has approved the mineral reserves and mineral resources included in this Annual Report on Form 10-K as of November 30, 2023 and reviewed the reserves and resources in the S-K 1300 Arctic Report and the S-K 1300 Bornite Report and confirmed that the reserves and resources remain current as of November 30, 2023.
2. Mineral Resources were prepared in accordance with the standards and definitions of S-K 1300 and represent disclosure of Mineral Resources under S-K 1300 standards and definitions.
3. The Mineral Resource estimate is reported exclusive of Mineral Reserves. There are no Mineral Reserves estimated on the Bornite property.
4. Trilogy Metals' 50% attributable interest is stated in the table.
5. Figures may not sum due to rounding.
6. The mineral resources are reported in place (point of reference).

Arctic Notes:

7. Mineral Resources stated are contained within a conceptual pit shell developed using metal prices of \$3.00/lb Cu, \$0.90/lb Pb, \$1.00/lb Zn, \$1,300/oz Au and \$18/oz Ag and metallurgical recoveries of 92% Cu, 77% Pb, 88% Zn, 63% Au and 56% Ag and operating costs of \$3/t mining and \$35/t process and general and administrative costs. The assumed average pit slope angle is 43°.
8. As a result of flattening the north end of the reserve pit to stabilize the pit wall due to the presence of talc, a portion of the reserve pit extended beyond the resource constraining pit shell and a second pass of mineral resource tabulation was performed exterior to the constraining resource pit and interior to the constraining reserve pit which is included in the Mineral Resource tabulation.
9. The cut-off grade is 0.5% copper equivalent: $CuEq = (Cu\% \times 0.92) + (Zn\% \times 0.290) + (Pb\% \times 0.231) + (Au \text{ g/t} \times 0.398) + (Ag \text{ g/t} \times 0.005)$.

Bornite Notes:

10. Mineral resources are constrained by: an open pit shell at a cut-off grade of 0.5% Cu, with an average pit slope of 43 degrees; and underground mining shapes with a cut-off grade of 1.79% Cu. The cut-off grades include the considerations of a \$4.05/lb Cu price, process recovery of 87.2%, open pit mining costs of \$3.21/t mined, underground mining cost of \$73.62/t mined, process cost of \$19.14/t processed, G&A cost of \$4.14/t processed, treatment, refining, sales cost of \$0.73/lb Cu in concentrate, road use cost of \$8.04/t processed, 2% NSR royalty.

Mineral Reserve Estimate as of November 30, 2023 for the Arctic Project, Alaska USA

Classification	Tonnage	Average Grade				
	Mt	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)
Probable Mineral Reserves – 50% Attributable Interest	23.35	2.11	0.56	2.90	0.42	31.8

Notes:

1. A Qualified Person and an employee of the Company, has approved the mineral reserves and mineral resources included in this Annual Report on Form 10-K as of November 30, 2023 and reviewed the reserves and resources in the S-K 1300 Arctic Report and the S-K 1300 Bornite Report and confirmed that the reserves and resources remain current as of November 30, 2023.
2. Mineral Reserves were estimated assuming open pit mining methods and include a combination of internal and contact dilution. Total dilution is expected to be between 30% and 40%. Pit slopes vary by sector and range from 26° to 56°. A marginal NSR cut-off of \$38.8 /t is used.
3. Mineral Reserves are based on prices of \$3.46/lb Cu, \$0.91/lb Pb, \$1.12/lb Zn, \$1,615/oz Au, and \$21.17/oz Ag.
4. Variable process recoveries averaging 92% Cu in Cu concentrate, 62% Pb in Pb concentrate, 88% Zn in Zn concentrate, 47% Au in Cu concentrate, 33% Ag in Cu concentrate, 26% Au in Pb concentrate and 49% Ag in Pb concentrate.
5. Mineral Reserves are based on mining cost of \$2.52/t incremented at \$0.02/t/5m and \$0.012/t/5m below and above 790 m elevation, respectively.
6. Costs applied to processed material following: process operating cost of \$18.31/t, G&A of \$5.83/t, sustaining capital cost of \$2.37/t, closure cost of \$4.27/t, road toll cost of \$8.04/t.
7. Strip ratio (waste:ore) is 7.3:1.
8. Selling terms following: payables of 96.5% of Cu, 95% of Pb and 85% of Zn, treatment costs of \$80/t Cu concentrate, \$160/t Pb concentrate and \$215/t Zn concentrate; refining costs of \$0.08/lb Cu in Cu concentrate, and \$10/oz Au, \$1.25/oz Ag in Pb concentrate; and transport cost \$270.98/t concentrate.
9. Fixed royalty percentage of 1% NSR.
10. Trilogy Metals' 50% attributable interest is stated in the table.
11. The point of reference for the Mineral Reserves is defined at the point where the ore is delivered to the processing plant.
12. The metal prices and costs were fixed over the 13-year mine life.

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 unless otherwise noted. 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.

The Company's book value of its investment in Ambler Metals is \$135.2 million as of November 30, 2023.

Arctic Project

The Company is subject to and required to disclose mineral resources and mineral reserves in accordance with Subpart 229.1300 of Regulation S-K – Disclosure by Registrants Engaged in Mining Operations ("S-K 1300"). While the S-K 1300 rules are similar to National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") rules in Canada, they are not identical and therefore two reports have been produced for the Arctic Project. The information in Item 2, Properties, contains pertinent information required under both NI 43-101 and S-K 1300.

Except as otherwise stated, the scientific and technical information relating to the Arctic Project contained in this Form 10-K is derived from the (i) 2023 S-K 1300 report for Arctic titled "Arctic Project Technical Report Summary, Ambler Mining District, Alaska" dated November 30, 2022 prepared by Ausenco Engineering Canada Inc., Wood Canada Limited, SRK Consulting (Canada) Inc. and Brown and Caldwell, each of whom are not affiliated with Trilogy ("S-K 1300 Arctic

[Table of Contents](#)

Report”) and the (ii) 2023 Arctic Report titled “Arctic Project NI 43-101 Technical Report on Feasibility Study, Ambler Mining District, Alaska” with an effective date of January 20, 2023, prepared by Ausenco Engineering Canada Inc., Wood Canada Limited, SRK Consulting (Canada) Inc. and Brown and Caldwell (“NI 43-101 Arctic Report”). 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 S-K 1300 Arctic Report and the NI 43-101 Arctic Report which has been filed, as applicable, with the relevant US and Canadian securities regulatory authorities. The NI 43-101 Arctic Report is available for review on SEDAR+ at www.sedarplus.ca and the S-K 1300 Arctic Report is available for review 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 LLC (“Amber Metals”), in 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 land tenure consists of 2,136 contiguous State claims totaling 230,736 acres (93,336 hectares), including 905 40-acre claims, 1231 160-acre claims, and 18 Federal patented claims comprising 271.9 acres (110 hectares) 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 190,929 hectares 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 Arctic Project is geographically isolated with no current road access or nearby power infrastructure. The Arctic Project is about 270 km east of the town of Kotzebue, 37 km northeast of the village of Kobuk,

[Table of Contents](#)

and 260 km west of the Dalton Highway, an all-weather State maintained public road, at geographic coordinates N67.17° latitude and W156.39° longitude and Universal Transverse Mercator (UTM) North American Datum (NAD) 83, Zone 4 coordinates 7453080N, 613110E.



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 in search of gold, travelling up the Kobuk River in 1898-99 (Grinnell, 1901), found small gold placer deposits in the southern Cosmos Hills, south of the Arctic deposit, which were worked intermittently over the ensuing decades. Around this time, copper mineralization at Ruby Creek and Pardner Hill in the northern Cosmos Hills was explored using small shafts and adits (Smith and Eakin, 1911). In 1947, Rhinehart "Rhiny" Berg staked claims over the Ruby Creek prospects, carried out extensive trenching and the first diamond drilling, and constructed an airstrip for access (alaskamininghalloffame.org 2012).

Bear Creek Mining Company ("BCMC"), an exploration subsidiary of Kennecott, optioned the Ruby Creek 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.

While exploring the Bornite deposit, BCMC carried out reconnaissance exploration throughout the western Brooks Range, including a large regional stream sediment survey in 1962. Initial follow up did not identify mineralization of interest however in 1965, Riz Bigelow (BCMC) and his team of geologists found boulders of massive sulphides at an anomaly (1400 ppm Cu) located 28 km northeast of Bornite that led to the discovery of outcropping mineralization the following year. The area was subsequently staked and, in 1967, nine core holes were drilled at the Arctic deposit, eight of which yielded massive sulphide intercepts over an almost 500-m strike length.

BCMC conducted intensive exploration on the property until 1977 and then intermittently through to 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 \$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 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

[Table of Contents](#)

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 (“Alaska Gold”), 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 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).

The S-K 1300 Arctic Report and the NI 43-101 Arctic Report both summarize the known exploration mapping, geochemical, and geophysical programs conducted for VMS targets in the Ambler Mining District. Table 1 below summarizes the exploration mapping, geochemical, geophysical, and mining studies conducted on the Arctic deposit.

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 or Schist Belt), a group of metamorphosed bimodal volcanic rocks with interbedded tuffaceous, graphitic and calcareous volcanoclastic 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 subterranean (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 includes the approximately 1 km thick Bornite Carbonate

[Table of Contents](#)

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).

The Ambler Mining District is characterized by increasing metamorphic grade to the 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.

Earlier work by Ambler Metals defined 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 suggested 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 sulfide beds average 4 m in thickness but vary from less than 1 m up to as much as 18 m in thickness. The sulfide 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 km² 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 sulfides with variable pyrite and only minor zonation, usually on a small scale.

[Table of Contents](#)

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.

Observations and interpretations at the Arctic deposit such as: 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, are indicative of a VMS deposit that has undergone high strain and complex folding and faulting.

A variety of VMS types have been well documented in the literature (Franklin et al., 2005), with the Ambler Schist belt deposits most like deposits associated with bimodal felsic dominant volcanism related to incipient rifting. However, the abundance of volcanoclastic rocks with argillaceous sedimentary rocks and the tabular nature of mineralization are considered by Piercey (2022) to be similar to felsic siliclastic VMS environments.

Evidence exists for both exhalation and emplacement on the seafloor and replacement of rocks in the sub-seafloor, either via filling of void space or via dissolution of original rocks and replacement by new minerals (Piercey, 2022). For example, the presence of barite, attributed to the mixing of BaCl₂(aq) from hydrothermal fluids with seawater sulphate (SO₄(aq)) at the vent-seawater interface supports some of the mineralization at Arctic likely precipitated on the seafloor. In contrast, there is ample textural evidence of subseafloor replacement at Arctic, such as the presence of transitions from massive sulphides into selective replacement of interpreted permeable tuff beds in the hanging wall mudstones.

The tonnage, grades, and stratigraphic setting of the Arctic deposit, and its broader tectonostratigraphic setting, are similar to other felsic siliclastic VMS environments globally. The deposit has strong similarities to deposits found the Finlayson Lake VMS district, Yukon, Bathurst district, New Brunswick, and some parts of the Iberian Pyrite Belt, Spain-Portugal (Piercey, 2022).

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, Trilogy (formerly, NovaCopper) and Ambler Metals from 2004 to 2022. Field exploration was largely conducted during the period between 2004 to 2007 and 2021 to 2022 with associated engineering and characterization studies between 2008 and 2021.

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

[Table of Contents](#)

Work Completed	Year	Details	Focus
-	2006	-	COU, Dead Creek, Sunshine, Red
-	2015, 2016	SRK	Geotechnical Structural Mapping
-	2016	-	Arctic deposit surface geology
-	2021	-	Snow, Ambler, Nani, DH, Cliff, Sunshine, Dead Creek, BT, 98-9/Pipe, COU, SE Arctic, Nora
-	2022	-	Snow, Ambler, Nani, DH, Bud, Sunshine, Dead Creek, BT, 98-9/Pipe, COU, East Arctic, Nora, South Cliff, SK, Cynbad, Z, Tom Tom, Kogo/White Creek
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
-	2021	-	Soils - VTEM 26-29, JA Creek, West Dead Creek, Dead Creek
-	2022	-	Soils - Sub Arctic Valley, South Cliff, VTEM 26-29, VTEM-41, VTEM-23 , East and West Sunshine, Tom

[Table of Contents](#)

Work Completed	Year	Details	Focus
-			Tom, Kogo/White Creek, SK, Cynbad, East Arctic, West Dead Creek, Dead Creek, 98-9/Pipe, Z, Nora, Ambler, Nani
-			Streams silts - Core area prospects
Survey			
Collar	2004 to 2011, 2018, 2019, 2021, 2022	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
Geotechnical and Hydrology	2015, 2016, 2018, 2019, 2021, 2022	SRK	Arctic P FS and FS slope design
ML/ARD	2015, 2016, 2017, 2018, 2019	SRK	Static kinetic tests and ABA update - ongoing
Metallurgy	2015, 2016, 2017, 2018, 2019, 2021	SGS, ALS	Cu-Pb Separation Testwork; Flotation and Variability Testwork; SAG Mill Comminution (SMC) Testwork, filtration Testwork, thickener Testwork, and tailings settling testing
Project Evaluation			
Resource Estimation	2008	SRK	Resource estimation
PEA	2011	SRK	PEA - Underground
	2012	Tetra Tech	PEA – Open Pit

[Table of Contents](#)

Work Completed	Year	Details	Focus
PFS	2018	Ausenco	Pre-Feasibility Study
FS	2020	Ausenco	Feasibility Study

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

Drilling

Drilling at the Arctic deposit and within the Ambler Mining District has been ongoing since the initial discovery of mineralization in 1966. Approximately 67,639 m of drilling has been completed within the Ambler Mining District, including 55,038 m of drilling in 285 drill holes at the Arctic deposit or on potential extensions in 32 campaigns spanning 56 years.

All drill holes, except 11 geotechnical holes in 2017, 24 geotechnical holes drilled in 2018, 8 geotechnical holes from the 2021 program and 34 exploration holes from the 2022 program, for which assay results were not available - were considered for use in the estimate of Mineral Resources.

Geotechnical drilling is summarized in Table 2 and Table 3. The number of holes reported for each year are the holes that were staffed by a geotechnician at the rig and the primary purpose was to gather geotechnical data.

Table 2 – Summary of Geotechnical Drilling

	2011	2015	2016	2017	2018	2019	2021	2022
<i>Number of Holes</i>	5	2	3	11	24	4	8	5
<i>Oriented core</i>	X	X	X			X	X	X
<i>Water level monitoring</i>	X	X	X	X	X	X	X	X
<i>Falling head packer tests</i>	X							
<i>Point load tests</i>	X	X	X			X	X	X
<i>Uniaxial compressive strength</i>		X	X			X		
<i>Direct shear testing</i>		X	X			X	X	X
<i>Modulus testing</i>		X	X			X		
<i>Triaxial testing</i>		X	X			X	X	X
<i>Acoustic Televiewer</i>			X					
<i>Falling Head, Single or Straddle packer tests</i>	X		X					
<i>Airlift pump test</i>			X					
<i>Hydraulic conductivity testing (slug testing)</i>				X				
<i>Cohesive and residual shear strength tests on soils</i>				X	X			
<i>Compressive strength test on core and rock</i>				X	X			
<i>Extended duration injection tests</i>						X		

Table 3 – Summary of Geotechnical Drilling by Year and Purposes

Year	Purpose
2011	Obtain geotechnical data in areas of the deposit that may host underground infrastructure or could pose issues with underground mining.
2015	Collect geotechnical and hydrological data to better understand the wall rock characteristics and hydrology within the open pit area.
2016	Complete the 3 drill holes that were deferred/not completed from the 2015 program.
2017	Collect geotechnical and hydrological data for tailings management and waste rock facilities within the entire Sub Arctic Creek valley.
2018	Collect geotechnical and hydrological data for waste rock dump, tailings management facility, and surface infrastructure in the Upper Sub Arctic Creek Valley.
2019	Provide additional geotechnical and hydrological data for pit design for the Feasibility Study.
2021	Define talc horizons on east side of pit for pit design.
2022	Define extent of lower talc horizons on northeast side of pit for pit design.

[Table of Contents](#)

NovaGold re-surveyed collars of selected historical holes in 2004 and again in 2008. The re-surveys showed little variation compared to the historical surveys. The downhole survey data show a pronounced deviation of the drill holes toward an orientation more normal to the foliation.

Incomplete Kennecott data exist with regards to overall core recovery but based on 917 intervals of 3.05 m or less in the historical database, the average recovery was 92%. Kennecott RQD measurements in the 1998 program averaged 87.0%. There has been no systematic evaluation of recovery by rock type.

Core recovery during NovaGold/NovaCopper/Trilogy Metals and Ambler Metals drill programs was good to excellent, resulting in quality samples with little to no bias.

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, Trilogy (formerly, NovaCopper), and Ambler Metals.

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 of 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.

From 2004 to 2019, sample intervals are determined by the geological relationships observed in the core and limited to a 2.5 m maximum length and 1 m minimum length. Sample intervals terminate at lithological and mineralization boundaries.

After logging, the core was cut in half using diamond core saws. If core was not competent, it was split by using a spoon to transfer half of the core into the sample bag. One-half of the core was returned to the core box for storage on site and the other half was bagged, labelled, and sent to ALS Minerals Laboratories in Vancouver for analysis and the other half was archived in the core storage facility at the Bornite Camp facilities or at the Ambler Metals warehouse in Fairbanks. For the 2021 metallurgical holes, ¼ core was sampled for analysis at ALS, ¼ retained, and ½ sent for metallurgical testing.

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.

Samples were submitted for multielement analysis of a 0.25 gram sample by Inductively Coupled Plasma (ICP) Mass Spectrometry (MS) following a 4-acid digestion, and for gold analysis of a 30 gram sample by Fire Assay (FA) with an Atomic Absorption (AA) finish. Over limit ICP-MS Cu, Pb, and Zn samples were resubmitted for analysis of a 0.4 gram sample by ICP-Atomic Emission Spectroscopy (AES) or AA following a 4 acid digestion. The overlimit value for Cu, Pb, and Zn is 10,000 ppm. Over limit gold results were resubmitted for analysis of a 30 gram sample by FA with a Gravimetric finish. The overlimit value for Au is 10 ppm. The Lower detection limits for Cu, Pb, and Zn by ICP-MS are 0.2 ppm, 0.5 ppm, and 2 ppm respectively. The lower detection limit for Au by FAAA is 0.05 ppm.

Between 2004 and 2005 NovaGold completed a resampling program of historic drill holes. As a result, 85% of the assay intervals now have recent assay results from ALS Minerals.

All core and pulp reject samples submitted to the ALS Minerals laboratory since 2004 were accompanied by standard, blank and duplicate control samples. Secondary laboratory check samples were analysed at Acme in Vancouver or SGS Burnaby. The secondary laboratory check samples were selected to represent the data population using a random selection of 5% of the samples within percentile range groups.

[Table of Contents](#)

GeoSpark Consulting has prepared several reports summarizing the control sample results received between 2004 and 2019.

Paired laboratory and field determinations for mineralized zone SG measurements from 1998 and the 2004 program show very low variation.

SRK conducts monthly QA/QC review of kinetic test leachates for all operating kinetic tests.

Data Verification

Wood qualified persons reviewed database verification and laboratory QA/QC reports and made data entry error spot checks, inspected down hole survey results for anomalous kinks and excessive bends in the drill hole traces, reviewed reports summarizing the results of drill core sampling and assaying completed since 2004, reviewed the assay database for gaps and overlaps, and reviewed the historic re-assay program results. The following two significant issues were observed:

- A significant high bias in historic Cu and low bias in historic Pb assay results
- Apparent low bias in Random Forest assisted specific gravity predictions

In the current assay table historic sample interval assay results are given priority over the historic sample interval re-assay results. This is not expected to have a material impact on the grade estimation but using the re-assay results would further mitigate the risk associated with the observed biases in the historic Cu and Pb values.

Overall, the database verification and management and the laboratory QA/QC monitoring completed by NovaGold, Trilogy Metals, and Ambler Metals has resulted in a reasonably reliable drill hole database suitable for supporting the Mineral Resource estimated for the Arctic deposit. Some deficiencies exist that when rectified will make the drill hole database even more robust.

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 four key time periods:

1. Historical testwork completed prior to 2012, primarily by Kennecott Research Centre in Utah, and Lakefield Research Ltd., Lakefield, Ontario;
2. Preliminary Trilogy testwork conducted at SGS Mineral Services, Vancouver ("SGS Vancouver"), in 2012 to 2015;
3. Detailed Trilogy testwork conducted at ALS Metallurgy in Kamloops, BC ("ALS Metallurgy") in 2015 to 2019; and
4. Amber Metals testwork conducted at ALS Metallurgy and SGS Mineral Services in 2021 to 2022.

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:

[Table of Contents](#)

- 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 department 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 kWh/t with an average BWi of 8.82 kWh/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.

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 sulfide 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.

In 2021, various metallurgical testwork programs were conducted at ALS Metallurgy, SGS, and MO Group. ALS Metallurgy completed several testwork programs, including flotation testing with the Preflotation circuit only to establish talc performance; further flowsheet development test work to investigate the benefits of sequential flotation versus the original bulk flow sheet; and a variability testwork to support the development of improved metallurgical recovery models.

The objective of the ALS Metallurgy program was to investigate bulk and sequential flotation flowsheets with composites formed from two parent composites, and then select a flowsheet for a geo-metallurgical evaluation through testing with variability samples.

The mineralization was amenable to either a bulk flowsheet followed by copper-lead separation, or a sequential flowsheet, both following a pre-flotation stage to remove talc.

Table 4 shows average performance obtained for the Avg Talc Composite in the Flowsheet Development phase of the testing.

Table 4 – Comparison of Bulk versus Sequential Locked-Cycle Test Results – ALS 2021

Composite	Assays						Distribution (%)				
	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)	Au (g/t)	Mg (%)	Cu	Pb	Zn	Ag	Au
Avg Talc Bulk											
Copper concentrate	28.0	0.86	4.27	181	4.17	0.46	87.3	8.3	9.1	36.0	60.9
Lead concentrate	7.90	39.0	6.30	1124	4.75	1.23	5.1	78.1	2.8	46.0	14.3
Zinc concentrate	0.87	0.38	55.9	41	0.35	0.04	1.9	2.6	83.3	5.7	3.5
Avg Talc - Sequential											
Copper concentrate	27.6	0.87	2.05	168	3.23	1.96	90.2	8.9	4.7	34.9	48.7
Lead concentrate	2.72	49.3	9.71	1360	5.31	1.40	1.2	69.9	3.1	39.4	11.2
Zinc concentrate	0.98	1.09	54.5	47	0.77	0.17	2.1	7.3	83.5	6.5	7.7

Copper recovery to the copper concentrate was slightly higher for the sequential flowsheet; however, gold recovery to the copper concentrate was substantially lower. The lead concentrate grade for the Avg Talc composite could likely be improved over that shown above with optimization of copper-lead separation conditions given the higher lead concentrate grade measured with other composites.

Zinc circuit performance was similar for the two flowsheets, although higher zinc recovery to the copper concentrate was recorded for the bulk circuit. Magnesium content in the copper concentrate was higher for the sequential circuit, but similar in the lead concentrate for both circuits.

[Table of Contents](#)

Based on economic analysis comparing the bulk and sequential circuit, the bulk circuit flowsheet was selected for the Variability testing.

An overall metallurgical balance for the project is summarized in Table 5. The projected metallurgical recoveries are based on an expected average recovery over the life-of-mine (LOM), and results of metallurgical variability testwork conducted in 2021 and 2022.

Table 5 – Summary of Overall Metal Recovery – Arctic Project

Process stream	Mass %	Concentrate Grade					Metal Recoveries				
		Cu %	Pb %	Zn %	Au g/t	Ag g/t	Cu %	Pb %	Zn %	Au %	Ag %
Process Feed	100	2.1	0.5	2.8	0.4	31.1	-	-	-	-	-
Copper Conc.	6.3	30.3	1.7	0.7	3.4	160.5	92.1	19.4	1.6	52.2	32.4
Lead Conc.	0.6	2.0	53.9	5.9	14.1	2425.8	0.6	61.3	1.3	21.4	48.8
Zinc Conc.	4.7	1.0	0.5	53.6	0.3	38.3	2.2	4.4	88.4	3.2	5.7
Tailings	88.4	0.1	0.1	0.3	0.1	4.6	5.1	14.8	8.7	23.2	13.1

SGS conducted SAG Power Index (SPI®) tests to investigate the effect of friable ores on the plant throughput.

MO Group conducted talc circuit modelling using the data obtained from the ALS Metallurgy Preflotation test work program to investigate the benefits of talc circuit open and closed-circuit cleaning. The MO Group also conducted dewatering and filtration test work on the talc concentrate and final tailings generated from the Preflotation test work program.

Thickening and filtration testwork were completed by the MO Group on representative preflotation concentrate and tailings samples, to investigate opportunities to improve water recovery and reduce operating costs. The results were used to incorporate a tailings thickener in the process plant flow sheet.

Mineral Resource and Mineral Reserve Estimates

Mineral Resource Estimate

Mineral Resources have not been previously disclosed under S-K 1300 standards prior to fiscal year ended November 30, 2022 and definitions in a filing with the United States Securities and Exchange Commission (SEC). A description of the key assumptions, parameters, and methods used in the mineral resource estimate are included in Chapter 11 of the S-K 1300 Arctic Report. A brief discussion of the material assumptions and criteria used in the mineral resource estimation are as follows: Mineral resource estimates are performed from a 3D block model based on geostatistical applications using LeapFrog software. The block model has a parent block size measuring 10 x 10 x 5 m with a sub-block size measuring 2 x 2 x 1 m and uses data derived from 171 drill holes within 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 2 m intervals, are controlled by capping each mineralization zone. 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 in the NI 43-101 Arctic Report and standards and definitions

[Table of Contents](#)

in S-K 1300 in the S-K 1300 Arctic Report. The tonnes, grade, and classification are the same under the two 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 deposit is amenable to open pit extraction methods. Reasonable prospects for economic extraction were established by constraining mineralization within a pit shell based on technical and economic assumptions presented in Table 6. As a result of flattening the north end of the reserve pit to stabilize the pit wall due to the presence of talc, a portion of the reserve pit extended beyond the resource constraining pit shell. A second pass of resource tabulation was performed on the Indicated and Inferred classified blocks exterior to the resource constraining pit shell and interior to the reserve constraining pit shell, above a 0.5% copper equivalent (CuEq) cut-off. The formula for the CuEq is shown in footnote 5 of Table 7.

Table 6 - Parameters Used to Generate a Resource-Constraining Pit Shell

Optimization Parameter	Unit	Value
Open Pit Mining Cost	\$/t mined	3
Milling Cost + G&A	\$/t processed	35
Pit Slope	degree	43
Copper Price	\$/lb	3.00
Lead Price	\$/lb	0.90
Zinc Price	\$/lb	1.00
Gold Price	\$/oz	1,300
Silver Price	\$/oz	18
Metallurgical Recovery: Copper	%	92
Lead	%	77
Zinc	%	88
Gold	%	63
Silver	%	56

Note: no adjustments for mining recovery or dilution. The metal prices and costs were fixed over the 13-year mine life. The metal prices are within the range of industry consensus of long-term average metal prices based on an assessment of industry peers, and long-term forecast prices by banks at the time of the mineral resource estimate.

Trilogy's attributable interest in the Mineral Resource estimate exclusive of Mineral Reserves is stated in Table 7a. The Mineral Resource estimate inclusive of Mineral Reserves is stated in Table 7b. All Indicated Mineral Resources have been converted to Mineral Reserves. Mineral Resources are reported in place (point of reference) and on a 100% basis; however, Trilogy Metals attributable interest is 50% of the tonnes and metal content.

Table 7a – S-K 1300 Mineral Resource Summary Table, Exclusive of Mineral Reserves

Resource	Tonnage	Average Grade					Contained Metal Content				
		Cu	Pb	Zn	Au	Ag	Cu	Pb	Zn	Au	Ag
Category	(Mt)	(%)	(%)	(%)	(g/t)	(g/t)	(Mlb)	(Mlb)	(Mlb)	(koz)	(Moz)
Inferred -100%	4.5	1.92	0.70	2.93	0.43	35.6	189	69	288	62	5
Inferred – 50% Attributable Interest	2.25	1.92	0.70	2.93	0.43	35.6	94.5	34.5	144	31	2.5

Notes:

1. A Qualified Person and an employee of the Company, has approved the mineral reserves and mineral resources included in this Annual Report on Form 10-K as of November 30, 2023 and reviewed the resources in the S-K 1300 Arctic Report confirmed that the resources remain current as of November 30, 2023.
2. Mineral Resources were prepared in accordance with the standards and definitions of S-K 1300.
3. Mineral Resources stated are contained within a conceptual pit shell developed using metal prices of \$3.00/lb Cu, \$0.90/lb Pb, \$1.00/lb Zn, \$1,300/oz Au and \$18/oz Ag and metallurgical recoveries of 92% Cu, 77% Pb, 88% Zn, 63% Au and 56% Ag and operating costs of \$3/t mining and \$35/t process and general and administrative costs. The assumed average pit slope angle is 43°.
4. As a result of flattening the north end of the reserve pit to stabilize the pit wall due to the presence of talc, a portion of the reserve pit extended beyond the resource constraining pit shell and a second pass of mineral resource tabulation was performed exterior to the constraining resource pit and interior to the constraining reserve pit which is included in the Mineral Resource tabulation.
5. The cut-off grade is 0.5% copper equivalent: $CuEq = (Cu\% \times 0.92) + (Zn\% \times 0.290) + (Pb\% \times 0.231) + (Au \text{ g/t} \times 0.398) + (Ag \text{ g/t} \times 0.005)$.
6. The Mineral Resource estimate is reported exclusive of those Mineral Resources that were converted to Mineral Reserves.
7. Trilogy Metals' 50% attributable interest is stated in the table.
8. Figures may not sum due to rounding.

Table 7b – NI 43-101 Mineral Resource Summary Table, Inclusive of Mineral Reserves

Resource	Tonnage	Average Grade					Contained Metal Content				
		Cu	Pb	Zn	Au	Ag	Cu	Pb	Zn	Au	Ag
Confidence Category	(Mt)	(%)	(%)	(%)	(g/t)	(g/t)	(Mlb)	(Mlb)	(Mlb)	(koz)	(Moz)
Indicated	35.7	2.98	0.79	4.09	0.59	45.2	2,347	621	3,216	675	52
Inferred	4.5	1.92	0.70	2.93	0.43	35.6	189	69	288	62	5

Notes:

1. Mineral Resources are current as of November 30, 2022 and were verified by a Wood QP.
2. Mineral Resources stated are contained within a conceptual pit shell developed using metal prices of \$3.00/lb Cu, \$0.90/lb Pb, \$1.00/lb Zn, \$1300/oz Au and \$18/oz Ag and metallurgical recoveries of 92% Cu, 77% Pb, 88% Zn, 63% Au and 56% Ag and operating costs of \$3/t mining and \$35/t process and G&A. The assumed average pit slope angle is 43°.
3. The cut-off grade is 0.5% copper equivalent. $CuEq = (Cu\% \times 0.92) + (Zn\% \times 0.290) + (Pb\% \times 0.231) + (Au \text{ g/t} \times 0.398) + (Ag \text{ g/t} \times 0.005)$.
4. As a result of flattening the north end of the reserve pit to stabilize the pit wall due to the presence of talc, a portion of the reserve pit extended beyond the resource constraining pit shell. Approximately 568kt of 1.72% Cu, 0.77% Pb, 0.23 g/t Au

[Table of Contents](#)

and 21.3 g/t Ag in the Indicated category, and approximately 319 kt of 2.01% Cu, 0.87% Pb, 2.53% Zn, 0.50 g/t Au and 37.5 g/t Ag in the Inferred category were added to the Mineral Resource tabulation.

5. The Mineral Resource estimate is reported inclusive of those Mineral Resources that were converted to Mineral Reserves.
6. Trilogy Metals' attributable interest is 50% in the table.
7. Figures may not sum due to rounding.

Factors that may affect the mineral resource estimate are listed below:

- Uncertainties in sampling and drilling methods, data processing and handling.
- Metal price assumptions.
- Uncertainties in the cost assumptions used to determine the cut-off grade.
- Uncertainties in the geological and mineralization shapes, and geological and grade continuity assumptions.
- Uncertainties in the historically predicted (estimated) SG values determined by Random Forest Regressor.
- Uncertainties in the geotechnical, mining, and metallurgical recovery assumptions.
- Uncertainties represented by historical assay values for payable metals.
- Uncertainties in the resource estimation parameters including parameters such as capping values, search ellipsoids, variogram models, number of composites.
- Changes in the Mineral Resource Classification criteria.
- Uncertainties to the input and design parameter assumptions that pertain to the conceptual pit constraining the estimates.
- Uncertainties in the assumptions made to the concentrate marketability, payability and penalty terms.
- Uncertainties in the assumptions regarding 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.

Mineral Reserve Estimates

Mineral Reserves were not disclosed under S-K 1300 standards prior to fiscal year ended November 30, 2022 in a filing with the SEC. A description of the key assumptions, parameters, and methods used in the mineral reserve estimate are included in Chapter 12 of the S-K 1300 Arctic Report . A brief discussion of the material assumptions and criteria used in the mineral reserve estimation are as follows: Mineral Reserves were classified in accordance with the CIM Definition Standards for Mineral Resources and Mineral Reserves (May 10, 2014) in the NI 43-101 Arctic Report and in accordance with the standards and definitions of S-K 1300 in the S-K 1300 Arctic Report. There are no differences in the resulting tonnes, grade, or classification between the two reporting standards. Modifying factors were applied to the Indicated Mineral Resources to convert them to Probable Mineral Reserves. All of the Indicated Mineral Resources were converted to Probable Mineral Reserves. The point of reference for reporting the Mineral Reserves is at delivery to the mill, as such, the Mineral Reserves for the Arctic deposit incorporate appropriate mining dilution and mining recovery estimations.

The pit shell that defines the ultimate pit limit was derived in Whittle using the Pseudoflow pit optimization algorithm. The optimization procedure uses the block value and pit slopes to determine a group of blocks representing pits of valid slopes that yield the maximum profit. The block value is calculated using information stored in the geological block model, commodity prices, mining and processing costs, process recovery, and the sales cost for the metals produced.

The pit slopes are used as constraints for removal precedence of the blocks (Xiaoyu Bai, et al., 2017). Table 8 provides a summary of the primary optimization inputs. Metal prices and costs were fixed over the 13-year mine life .

Table 8 – Optimization Inputs

Parameter	Unit	Value	Cu Conc.	Pb Conc.	Zn Conc.
Metal Prices					
Copper	\$/lb	3.46			
Lead	\$/lb	0.91			
Zinc	\$/lb	1.12			
Gold	\$/oz	1,615			
Silver	\$/oz	21.17			
Discount Rate	%	8			
Dilution and Mine Losses	%	Estimated in a block-by-block basis, adding up 30% to 40%.			
Mining Cost					
Reference Bench Elevation	m	790			
Base Cost	\$/t	2.52			
Incremental Mining Cost					
Uphill (below 790m)	\$/t/5m	0.02			
Downhill (above 790m)	\$/t/5m	0.012			
Process Costs					
Operating Cost	\$/t milled	18.31			
G&A	\$/t milled	5.83			
Sustaining Capital	\$/t milled	2.37			
Road Toll Cost	\$/t milled	8.04			
Closure	\$/t milled	4.27			
Processing Rate	kt/d	10			
Process Recovery					
Copper	%		89.9	2.4	2.7
Lead	%		8.1	79	2.2
Zinc	%		3.4	0.4	90.6
Gold	%		10.9	62.1	5.4
Silver	%		26.4	63.1	3.4
Payable – Main Element	%		96.5	95	85

[Table of Contents](#)

Parameter	Unit	Value	Cu Conc.	Pb Conc.	Zn Conc.
Treatment Cost	\$/dmt		80	160	215
Refining Cost					
Copper	\$/lb		0.08	-	-
Gold	\$/oz		5	10	-
Silver	\$/oz		0.5	1.25	-
Transport Cost	\$/dmt	271			
Concentrate Losses	% weight	0.42			
Insurance Cost	%	0.15			
Representation/Marketing	\$/wmt	2.5			
Slope Angles					
Geotechnical Sector 1 (2L-E)	degrees	Variable based on slope dip direction. IRA ranging from 26 to 56.			
Geotechnical Sector 2 (2L-W)	degrees	Variable based on slope dip direction IRA ranging from 38 to 56.			
Geotechnical Sector 3 (2U)	degrees	Variable based on slope dip direction IRA ranging from 29 to 56.			
Geotechnical Sector 4 (3)	degrees	Variable based on slope dip direction IRA ranging from 30 to 56.			
Geotechnical Sector 5 (4L)	degrees	Variable based on slope dip direction IRA ranging from 34 to 56.			
Geotechnical Sector 6 (4U)	degrees	Variable based on slope dip direction IRA ranging from 37 to 56.			
Royalties					
NANA Surface Use	%NSR	1			

Note: IRA = inter ramp angle

The Mineral Reserves statement is shown in Table 9. Trilogy Metals attributable interest is 50% of the tonnes of the Mineral Reserves.

Table 9 – Mineral Reserve Estimate

Confidence Category	Tonnage	Average Grades				
	Mt	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)
Probable Mineral Reserves – 100%	46.7	2.11	0.56	2.90	0.42	31.8
Probable Mineral Reserves – 50% Attributable Interest	23.35	2.11	0.56	2.90	0.42	31.8

Notes:

1. A Qualified Person and an employee of the Company, has reviewed the reserves in the S-K 1300 Arctic Report and confirmed that the reserves remain current as of November 30, 2023.
2. Mineral Reserves were estimated assuming open pit mining methods and include a combination of internal and contact dilution. Total dilution is expected to be between 30% and 40%. Pit slopes vary by sector and range from 26° to 56°. A marginal NSR cut-off of \$38.8/t is used.

[Table of Contents](#)

3. Mineral Reserves are based on prices of \$3.46/lb Cu, \$0.91/lb Pb, \$1.12/lb Zn, \$1,615/oz Au, and \$21.17/oz Ag.
4. Variable process recoveries averaging 92.2% Cu in Cu concentrate, 62.2% Pb in Pb concentrate, 87.6% Zn in Zn concentrate, 16.0% Pb in Cu concentrate, 1.9% Zn in Cu concentrate, 47.2% Au in Cu concentrate, 32.7% Ag in Cu concentrate, 0.8% Cu in Pb concentrate, 1.3% Zn in Pb concentrate, 26.1% Au in Pb concentrate, 48.7% Ag in Pb concentrate, 2.1% Cu in Zn concentrate, 4.5% Pb in Zn concentrate, 3.3% Au in Zn concentrate, 5.8% Ag in Zn concentrate.
5. Mineral Reserves are based on mining cost of \$2.52/t incremented at \$0.02/t/5m and \$0.012/t/5m below and above 790 m elevation, respectively.
6. Costs applied to processed material following: process operating cost of \$18.31/t, G&A of \$5.83/t, sustaining capital cost of \$2.37/t, closure cost of \$4.27/t, road toll cost of \$8.04/t.
7. Strip ratio (waste:ore) is 7.3:1.
8. Selling terms following: payables of 96.5% of Cu, 95% of Pb and 85% of Zn, treatment costs of \$80/t Cu concentrate, \$160/t Pb concentrate and \$215/t Zn concentrate; refining costs of \$0.08/lb Cu in Cu concentrate, and \$10/oz Au, \$1.25/oz Ag in Pb concentrate; and transport cost \$270.98/t concentrate.
9. Fixed royalty percentage of 1% NSR.
10. Trilogy Metals' attributable interest is 50% of the tonnage stated in the table.

The Arctic Mineral Reserves are subject to the types of risks common to open pit polymetallic mining operations that exist in Alaska and may be materially affected by the following risk factors include:

- Changes in the metal prices from what was assumed;
- Changes to the assumptions used to generate the cut-offs;
- Changes in local interpretations of mineralization geometry and continuity of mineralized zones;
- Changes to geological and mineralization shapes, and geological and grade continuity assumptions;
- Changes to density and domain assignments from what was assumed;
- Changes to geotechnical, hydrogeological design assumptions;
- Changes to mining and metallurgical recovery assumptions;
- Change to the input and design parameter assumptions that pertain to the open 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 tenure and obtain surface rights titles, obtain environment and other regulatory permits, and maintain the social license to operate.

More specifically the presence of certain talc layers in the rock have not been included in the current geological model and could affect the metallurgical recoveries and slope stability. Additionally, there is currently no developed surface access to the Arctic Project area and beyond. Access to the Arctic Project is proposed to be via AAP, a road approximately 340 km (211 miles) long, extending west from the Dalton Highway where it would connect with the proposed Arctic Project area. Construction costs of the road are not yet final. The working assumption is that AIDEA would arrange financing in the form of a public-private partnership to construct and arrange for the construction and maintenance of the access road. AIDEA would charge a toll to multiple mining and industrial users (including the Arctic Project) in order to pay back the costs of financing the AAP. The amount paid in tolls by any user would be affected by the cost of the road, its financing structure, and the number of mines and other users of the road which could also include commercial transportation of materials and consumer items that would use the AAP to ship concentrates to the Port of Anchorage in Alaska and possibly provide goods and commercial materials to villages in the region.

[Table of Contents](#)

The Mineral Reserve estimation assumes toll payments of \$5.52/t processed, plus a road maintenance fee of \$2.52/t milled processed, resulting in a total road toll and maintenance LOM unit cost of \$8.04/t processed. There is a risk that a negotiated road toll agreement may result in higher costs than what has been assumed.

Mining Operations

The Arctic Project is designed as a conventional truck-shovel operation with 144 t trucks and 15 m³ shovels. The pit design includes four nested phases to balance stripping requirements while satisfying the concentrator requirements.

The design parameters include a ramp width of 30 m, road grades of 10%, bench height of 5 m, targeted mining width between 70 m and 100 m, berm interval of 20 m, variable slope angles by sector and a minimum mining width of 30 m.

The smoothed final pit design contains approximately 46.7 Mt of ore and 340.2 Mt of waste for a resulting stripping ratio of 7.3:1. Within the 46.7 Mt of ore, the average grades are forecasted to be 2.11% Cu, 2.90% Zn, 0.56% Pb, 0.42 g/t Au and 31.8 g/t Ag.

The scheduling constraints set the maximum mining capacity at 35 Mt/a, and the maximum process capacity at 10 kt/d. The production schedule based on the Probable Mineral Reserves shows a total life-of-mine (LOM) of 15 years, including 2 years of pre-production and 13 years of production.

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/yr 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; both gold and silver is expected to be payable in the copper and lead concentrates.

While there are several deleterious elements reporting to the concentrates at levels that could incur penalties, there are no special processing provisions required to make a readily saleable concentrate. The presence of naturally hydrophobic talc minerals was consistently observed in the various testwork programs. There is little reason to expect concentrates will be impaired by talc contamination as talc can be effectively removed from the flotation process prior to base metal flotation. Talc and fluorine levels will be managed by optimization of the talc pre-float circuit, effectively removing talc and fluorine to ensure the quality of the lead 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 tailing management facility ("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 NI 43-101 Arctic Report and S-K 1300 Arctic Report and metallurgical testwork results, the LOM average metal recoveries and concentrate grades are presented in Table 10.

Table 10 – LOM Average Recovery and Concentrate Grade

Description	Units	Cu con	Pb con	Zn con
LOM Production	t/y	234,132	23,300	174,202
Grade	%	30.3% Cu	53.9% Pb	53.7% Zn
Recovery	%	92.1% Cu 52.2% Au 32.5% Ag	61.3% Pb 21.6% Au 48.6% Ag	88.5% Zn

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, greenfield 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 Waste Rock Facility (“WRF”)
- Truck workshop, truck wash, mine offices, mine dry facility and warehouse
- Power house
- 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
- Explosive storage silos and magazines
- Avalanche mitigation structures
- TMF
- Surface water diversion and collection channels, culverts, and containment structures
- Waste rock collection pond (“WRCP”)

[Table of Contents](#)

- Process water pond
- Water treatment plant (“WTP”)
- Camp

Access

The Arctic Project site will be accessed through a combination of State of Alaska-owned highways (existing), an AIDEA-owned private road (proposed) and Ambler-owned access roads (proposed). The AAP road is proposed by AIDEA to connect the Ambler Mining District to the Dalton Highway. The AAP 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 AAP road, an 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 25.9 MW with a normal running load of 21.0 MW. Diesel will be supplied via existing fuel supply networks in the region and shipped along the AAP road.

Accommodation

The Arctic Project will require three self-contained camps, in two different locations, equipped with their own power and heat generation capabilities, potable water treatment plant, sewage treatment plant, and garbage incinerator. The existing 90-person Bornite Camp currently used for exploration will be expanded and used to start the construction of the Arctic access road and the logistics yard and construction camp. This Bornite Camp will be expanded and available prior to surface access from the Dalton Highway via the AAP road. A 250-person construction camp (“CC”) will be constructed at a location near the intersection of the AAP road and Arctic Mine Access road, across the road from the Logistics Yard. CC will be constructed when limited access via the AAP is available for the transport of camp modules. A Permanent Accommodations Facility (“PAF”) will be constructed in the same location as CC. The PAF will be constructed when the AAP is available to transportation of the modules by truck and will be operating for about 2 years prior to the commissioning of the Arctic Mill and production of concentrates. During this period, it will be used to accommodate both construction personnel and the initial Ambler Metals Mine Operations and support personnel required for pre-production mining.

Waste Rock Facility

The WRF will be developed north of the Arctic pit in the upper part of the Subarctic Creek valley. The WRF is designed as part of the tailings dam structure to provide a buttress for tailings containment in the adjacent footprint. The total volume of waste rock is expected to be 162.6 Mm³ (340 Mt); however, there is potential for expanded volume in the waste if placement density is <2.0 t/m³. The WRF will have a final height of 340 m to an elevation of 990 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 2.5H: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.

[Table of Contents](#)

Overburden Stockpiles

There will also be three small overburden stockpiles to store the stripped topsoil and overburden from the TMF and WRF footprint. The topsoil stockpile will be placed between the haul roads with capacity to store up to 325,000 m³ while the overburden stockpile will be located south of the WRF to store up to 2,200,000 m³.

Tailings Management Facility

The TMF will be located at the headwaters of Subarctic Creek, in the upper-most portion of the creek valley. The 59 hectares footprint of the TMF will be fully lined with a geomembrane liner. Tailings containment will be provided by an engineered dam, buttressed by the WRF that will be constructed immediately downstream of the TMF and the natural topography on the valley sides. A starter dam will be constructed to elevation 830 m. Three subsequent raises will bring the final dam crest elevation to 892 m, which is 98 m lower than the final elevation of the WRF. The TMF is designed to store approximately 37.4Mm³ (41.2 Mt) of tailings produced over the 13-year mine life, 3.3 Mm³ of additional pond water, as well as 1.5 times 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 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 model was updated to include the current water management plan. The model indicates that during operations, excess water from the WRCP will need to be treated prior to discharge to the receiving environment. During closure, water from the dewatering of the TMF will also need to be treated prior to discharge to the receiving environment.

Water Treatment Plant

It was assumed the site will be assigned water quality-based effluent limits matching the state's Water Quality Standards for the nearby Subarctic Creek. Therefore, the WTP is designed to treat all parameters in the predicted site wastewater to the WQS of Subarctic Creek. This will eliminate the need for a mixing zone and allow treated water to be discharged year-round if needed.

A single WTP, built in stages, will be used. During Operations phase the WTP will treat effluent from the WRCP, and during Closure phase effluent from the pit. The WTP will initially consist of chemical/physical treatment with reverse osmosis ("RO") filtration. During operations, the RO reject will be sent to the TMF, and only RO permeate will be discharged to Subarctic Creek. When the TMF is closed at the end of the operations, a biological/chemical/physical plant will be added to treat the RO reject. The biologic plant discharge will be mixed with the RO prior to discharge.

Market Studies

Metal pricing was guided by 3-year trailing average prices and long-term price forecasts from analysts as published by CIBC in 2022.

The metal price assumptions used in the economic analysis:

- Copper: \$3.65/lb

[Table of Contents](#)

- Zinc: \$1.15/lb
- Lead: \$1.00/lb
- Gold: \$1,650/oz
- Silver: \$21.00/oz

Smelter terms were prepared in January 2023 by StoneHouse Consulting Inc. Smelter terms were applied for the delivery of copper, zinc and lead concentrate. It was assumed that delivery of all concentrates would be to a smelter in the Asia Pacific region at currently available freight rates. Total transport costs for the concentrate are estimated at \$324.37/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 significant 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

Current mineral exploration activities are conducted at the Arctic deposit under State of Alaska and NWAB permits. The State of Alaska Miscellaneous Land Use Permit and the NWAB Permit both expired at the end of 2022 and will be renewed.

Mine development permitting will be largely driven by the underlying land ownership with regulatory requirements varying depending on land ownership. The Arctic Project area includes patented mining claims (private land under separate ownership by Ambler Metals and NANA), State of Alaska land, and NANA land (private land)

Because the infrastructure for the Arctic Project is situated to a large extent on State land, it will likely 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 operate dams (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 operations under an air permit, and an Alaska Pollutant Discharge Elimination System permit for any wastewater discharges, and a Multi-Sector General Permit for stormwater discharges. The ADEC would also be required to review the US Army Corps of Engineers 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.

The 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 NEPA and, for a project of this magnitude, the development of an Environmental Impact Statement (“EIS”) 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.

[Table of Contents](#)

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 about 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 65 km east-northeast of the community of Ambler. The population in these villages are 151 in Kobuk (2020 Census), 210 in Shungnak (2020 Census), and 275 in Ambler (2020 Census). Residents largely live a subsistence lifestyle with incomes supplemented by guiding, local development projects, employment through tribal and city councils, government aid, and employment both in and outside of their home villages.

The Arctic Project has the potential to significantly improve work opportunities for residents during the exploration phase, construction, and during full operation. Trilog's joint venture, Ambler Metals works directly with the Upper Kobuk villages and communities throughout the region to employ residents as mechanics, geotechnicians, core cutters, administrative staff, camp services, heavy equipment operators, drill helpers, and environmental technicians.

Stakeholder outreach and community meetings in the region by the Arctic Project's owners over many years have provided the opportunity to engage with residents, provide updated information on the project and future plans for the Upper Kobuk Mineral Project, hear concerns, answer questions, and build relationships.

This engagement has also identified various hurdles residents have faced when applying for employment. Opportunities have been created for NANA shareholders to apply and receive educational scholarships, participate in job shadowing at Bornite, driver's license courses, and heavy equipment operator training sponsored by the Arctic Project's owners.

It is the company's goal to continue and grow these efforts throughout the permitting process and the life of the project – encouraging and supporting education, job training, employment, and economic growth.

Closure Planning

Mine reclamation and closure are largely driven by State of Alaska 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 of Alaska 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, 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 and Closure 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 landowners 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 estimated closure costs are determined from unit rates based on projects located in Alaska. The indirect costs were included as percentages of the estimated direct costs. Long-term water treatment and maintenance of certain water

[Table of Contents](#)

management facilities were calculated separately, and a net present value (“NPV”) value is provided for the first 100 years, at a discount rate of 4.3%.

Annual undiscounted costs associated with long-term operations of the WTP are estimated to be \$11.7 million in Phase 1 closure (15-years post-closure) and \$10.8 million in Phase 2 closure (85 years thereafter), amounting to \$1,095 million over the 100-year closure period. These costs equate to \$258 million when discounted at 4.3% p.a. to the first year of post-production.

Capital and Operating Costs

Capital Costs

The capital cost estimate has an estimated accuracy of ±15% and uses Q3/Q4-2022 US dollars as the base currency within an estimated contingency of ±15%. The total estimated initial capital cost for the design, construction, installation, and commissioning of the Arctic Project is estimated to be \$1,177 million. A summary of the estimated initial capital cost, sustaining capital cost and closure costs is shown in Table 11.

Table 11 – Capital Cost Summary

WBS Level 1	WBS Level 1 Description	Initial Capex (\$ M)	Sustaining Capex (\$ M)	Total Capex (\$ M)
1000	Mining	277.4	17.5	294.9
2000	Crushing	42.5	0	42.5
3000	Process Plant	158.0	1.3	159.3
4000	Tailings	88.3	32.4	120.7
5000	On-site Infrastructure	172.8	35.1	207.9
6000	Off-site Infrastructure	75.8	0	75.8
Sub-total Direct Costs		834.1	86.3	920.4
7000	Indirects	177.4	15.1	192.5
8000	Provisions (Contingency)	138.5	13.0	151.5
9000	Owner Costs	26.8	0	26.8
Sub-total Indirect Costs		342.7	28.1	370.8
Project Total		1,176.8	114.4	1,291.2
Project Total – Closure Costs				170.8

Operating Costs

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 \$59.83/t milled. The breakdown of costs in Table 12 is estimated based on the LOM average mill feed rate of 3,650,000 t/y.

All pre-production costs have been included in the capital cost estimate in “Properties – Arctic Project—Capital and Operating Costs – Capital Costs” above.

Table 12 – Overall Operating Cost Estimate

Description	LOM Average Unit Operating Cost (\$/ t milled)	Percentage of Total Annual Operating Costs
Mining*	22.49	37.6%
Processing	22.60	37.8%
G&A	5.85	9.8%
Road Toll and Maintenance	7.72	12.9%
Water Treatment	1.17	2.0%
Total Operating Cost	59.83	100%

* Excludes pre-production costs

Economic Analysis

The results of the economic analyses discussed in this section represent forward-looking information as defined under U.S. and Canadian securities law. The results depend on 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 herein. Information that is forward-looking includes the following: Probable Mineral Reserves that have been modified from Indicated Mineral Resource estimates; assumed commodity prices and exchange rates; proposed mine and process production plan; projected mining and process recovery rates; ability to market the three types of concentrate on favourable terms; ability to control the levels of deleterious elements in some of the concentrate batches; sustaining costs and proposed operating costs; assumptions as to closure costs and closure requirements, including WTP requirements; assumptions as to development of the Ambler Access Project, timeframe of such development and assumed toll charges; assumptions as to ability to permit the project; assumptions about environmental, permitting and social risks.

An economic analysis was undertaken on a 100% project ownership basis to determine the internal rate of return (“IRR”), NPV and payback on initial investment of the Arctic Project. Trilogy holds a 50% interest in the Arctic Project though its ownership in Ambler Metals. The Arctic Project consists of a three-year construction period, followed by 13 years of production.

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 & maintenance 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.

With total capital costs of \$1,719 million over LOM (\$1,177 million initial capital cost, \$114 million sustaining capital cost and \$428 million closure costs), the project demonstrates a pre-tax NPV of \$1,500 million at an 8% discount rate, IRR of

[Table of Contents](#)

25.8% and payback period of 2.9 years. Post-tax financials have an NPV of \$1,108 million at an 8% discount rate, IRR of 22.8% and payback period of 3.1 years.

The estimated cash flow forecast over LOM is \$3,942.6 million undiscounted pre-tax cash flow, \$1,500.3 million discounted pre-tax cash flow at an 8% discount rate, \$3,019.9 million undiscounted post-tax cash flow and \$1,108.1 discounted post-tax cash flow at an 8% discount rate.

Sensitivity Analysis

Ausenco investigated the sensitivity of the Arctic Project's pre-tax NPV, and IRR to several project variables. The following variables were elected for this analysis:

- Copper price
- Zinc price
- Lead price
- Gold price
- Silver price
- Capital costs
- On-site operating costs
- Off-site operating costs (royalties, refining and treatment charges, penalties, insurance, marketing, and representation fees, and concentrate transportation)

Each variable was changed in increments of 10% between -20% to +20% while holding all other variables constant. The project NPV at an 8% discount rate is most sensitive to changes in copper price, followed by off-site operating costs, on-site operating costs, zinc price, capital 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
- Arctic 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

[Table of Contents](#)

- Bornite, 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 AAP 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 established at an early stage. That in turn is dependent on sizing and selection of the major process equipment items and the receipt of vendor data to complete the plant layout.

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.

[Table of Contents](#)

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 procure the major equipment in two steps:

- Step 1: Procure 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.

Potential issues to be mitigated 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 a maximum annual rate of 35 Mt of ore per year with an overall stripping ratio of 7.3. Ore will be processed by conventional methods to annually produce 234 kt of copper, 23 kt of lead, and 174 kt 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 deleterious elements reporting to the concentrates at levels that could incur penalties, special processing provisions have been included in the flowsheet to make a readily saleable concentrate.

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 Ambler Access Project 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.

Based on \$1,177 million of initial capital costs, sustaining capital costs of \$114 million, closure costs of \$428 million, \$2,969 million in LOM off-site operating costs and \$2,794 million in LOM on-site operating costs, pre-tax financial results show a project IRR of 25.8% and an NPV of \$1,500 million at an 8% discount rate and a 2.9-year payback period. Post-tax results show a project IRR of 22.8% and NPV of \$1,108 million at an 8% discount rate and a 3.1-year payback period.

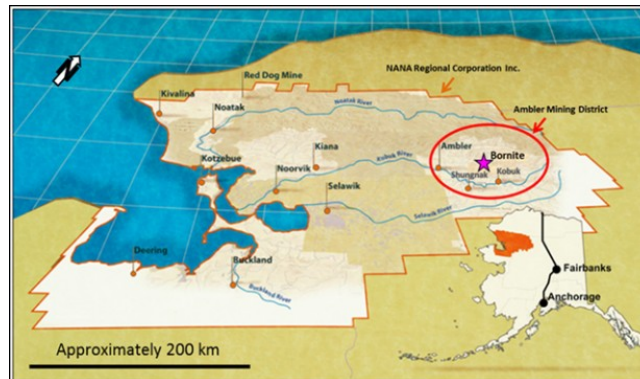
Bornite Project

The Company is subject to and required to disclose mineral resources and mineral reserves in accordance with S-K 1300. While the S-K 1300 rules are similar to NI 43-101 rules in Canada, they are not identical and therefore two reports have been produced for the Arctic Project. The information in Item 2, Properties, contains pertinent information required under both NI 43-101 and S-K 1300.

Except as otherwise stated, the scientific and technical information relating to the Bornite Project contained in this Form 10-K is derived from the (i) 2023 S-K 1300 report for Bornite titled "Technical Report Summary on the Initial Assessment of the Bornite Mineral Resource, Northwest, Alaska, USA" dated November 30, 2022 prepared by Wood Canada Limited, which is unaffiliated with Trilogy ("S-K 1300 Bornite Report") and the (ii) technical report titled "NI 43-101 Technical Report on the Mineral Resource Update of the Bornite Project, Northwest Alaska, USA" with an effective date of January 26, 2023, prepared by Wood Canada Limited (the "NI 43-101 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 S-K 1300 Bornite Report and the NI 43-101 Bornite Report which has been filed, as applicable, with certain Canadian securities regulatory authorities pursuant to NI 43-101. The NI 43-101 Bornite Report is available for review on SEDAR+ at www.sedarplus.ca and the S-K 1300 Bornite Report is available for review on EDGAR at www.sec.gov.

Property Description, Location, and Access

The Bornite property is located in the Ambler Mining District of the southern Brooks Range in the 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).



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.

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

On February 11, 2020, Trilogy Metals transferred the UKMP, including the Bornite property, to a 50/50 joint venture named Ambler Metals. With NANA's approval, Trilogy Metals also contributed, along with the UKMP, its rights under the NANA Agreement to Ambler Metals while its joint venture partner, South32, contributed \$145 million dedicated to advancing the projects.

The NANA Agreement provides that NANA will grant Trilogy Metals the nonexclusive right to enter onto, and the exclusive right to explore, the Bornite Lands and the 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. The NANA Agreement has a term of 20 years, with an option in favour of Trilogy 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 Trilogy Metals does not meet requirements of aggregate expenditures over two consecutive calendar years are not at least \$600,000 on NANA's lands. Trilogy Metals has confirmed they met this expenditure requirement to date.

The NANA Agreement outlines a partnership agreement for the development of the UKMP. 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 subject to the NANA Agreement, 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 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. The cost to exercise such back-in-right is equal to the percentage interest in the property multiplied by the difference between (i) all costs incurred by Ambler Metals or its affiliates on the property, including historical costs incurred prior to the date of the NANA Agreement together with interest on the historical 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.

[Table of Contents](#)

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 will own the balance of interest in the joint venture. Upon formation of the joint venture, the joint venture will assume all 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 a NSR royalty on the property or any net proceeds royalty interest in the property other than for financing purposes will also be subject to a first right of refusal.

In connection with possible development on the Bornite 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. These leases will provide NANA a 2% NSR royalty as to production from the Bornite Lands.

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 with Ambler Metals which will afford Ambler Metals access to the project along routes approved by NANA. In consideration for the grant of such surface use rights, Ambler Metals will grant NANA a 1% NSR 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.

Environmental Liabilities

Under the NANA Agreement, NANA is required to complete a baseline environmental report following the cleanup of the former mining camp on the Bornite Lands; this work must be completed to Alaska Department of Environmental Conservation standards. Cleanup includes the removal and disposal, as required by law, of all hazardous substances present on the Bornite Lands. NANA has indemnified and will hold Trilogy Metals harmless for any loss, cost, expense, or damage suffered or incurred attributable to the environmental condition of the Bornite Lands at the date of the baseline report which relate to any activities prior to the date of the agreement.

Reclamation of mineral exploration activities at the Bornite property is completed under the guidelines presented by the State of Alaska in the Multi-Year Hardrock Exploration Permit #2183 issued by the Department of Natural Resources Division of Mining, Land, and Water.

Permits

Multiple permits are required during the exploration phase of the Bornite property. Permits are issued from Federal, State, and Regional agencies, including: the Environmental Protection Agency, US Army Corps of Engineers, ADEC, Alaska Department of Fish and Game, ADNR, and NWAB. The State of Alaska permit for exploration on the Bornite property, known as the Annual Hardrock Exploration Activity ("AHEA") Permit, is obtained and renewed every five years through the ADNR – Division of Mining, Land and Water. Trilogy Metals held an AHEA exploration permit in good standing with the ADNR and has done so each year since 2004 under Alaska Gold. The Bornite property is within the NWAB therefore requiring a Title 9 Miscellaneous Land Use permit for mineral exploration, fuel storage, gravel extraction, and the operation of a landfill. The Bornite camp, Bornite landfill, and Dahl Creek camp are permitted by the ADEC. After the formation of the joint venture, Ambler Metals has renewed the necessary permits for exploration and related camp operations.

As the Bornite Project progresses, additional permits for environmental baseline and engineering studies will be necessary at Federal, State, and Regional levels.

The QP is not aware of any significant factors and risks that may affect access, title, or the right or ability to perform work on the Bornite property other than what is described in the NI 43-101 Bornite Report and the S-K 1300 Bornite Report.

The mineral resource estimates with respect to the Bornite Project are reported on a 100% basis, of which Trilogy's share is 50%.

History

Kennecott and Bear Creek Mining Tenure

Prospectors in search of gold, travelling up the Kobuk River in 1898 to 1899 found several small gold placer deposits in the southern Cosmos Hills that were worked intermittently over the ensuing decades. Around this time, copper mineralization at Ruby Creek and Pardner Hill was explored using small shafts and adits. At Ruby Creek, Smith describes bornite and chalcopyrite and lesser amounts of galena and pyrite filling open spaces in brecciated zones in limestone and in places replacing dolomite breccia.

In 1947, Rhinehart "Rhiny" Berg staked claims over the Ruby Creek prospects, carried out extensive trenching and the first diamond drilling, and constructed an airstrip for access. In 1957, 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 in a specific area that was previously referred to as the Ruby Creek Zone and is now referred to as simply the Ruby Zone). The discovery of the "No. 1 Ore Body" led to the development of an exploration shaft in 1965 through 1966, the development of an exploration drift and the completion of underground drilling in 1967. The discovery of the Arctic project in 1965 prompted a hiatus in exploration at Bornite, and only limited drilling occurred up until 1997.

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 inductively couple plasma ("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 Bornite 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, audio-frequency magnetotelluric, EM, borehole and surface induced polarization ("IP"/resistivity surveys (1960s)
- Gravity, airborne magnetic, and controlled-source audio-frequency 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 ADNRC 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.

Geological Setting, Mineralization and Deposit Types

Geology

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 mélangé 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 intervals of carbonate rocks (limestone and dolostone) and calcareous phyllite. Limestone transitions laterally into dolostone near zones of mineralization and is considered 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 tried to improve the understanding of the distribution and nature of the various lithologic units and their context within a sedimentary depositional model. A new interpretation, 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 breccias capped by high calcium (Ca) phyllites, confined laterally in channels between either massive or thin-bedded platform carbonates.

Two mineralized stacked debrite successions 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 Beaver Creek phyllite that underlie and overlie the Bornite carbonate sequence, respectively. In addition to depositional lithostratigraphy, a cross-cutting 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 interpretation of 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

[Table of Contents](#)

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 Bornite 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. Some limestone outcrops, in particular the thin bedded limestone 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 north-northeast or south-southwest. Top directions indicate movement to the south or south-southwest 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 3D ellipsoids. Slip is accommodated by phyllites. Interpretation of this mapping should be performed 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 northeast-trending facies transition to the northwest 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 northeast-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 to 10°. 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.

Mineralization

Copper mineralization at Bornite comprises chalcopyrite, bornite, and chalcocite distributed in stacked, stratabound zones exploiting favourable lithologies (conglomerate/breccia) within the Bornite sequence. Mineralization occurs, in order of increasing grade, as disseminations, irregular and discontinuous stringer-style veining, breccia matrix

[Table of Contents](#)

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 (Co₂Cu₄S₄) and as cobaltiferous rims on recrystallized pyrite grains. Preliminary geometallurgical work by Trilogy showed that cobalt occurs primarily as cobaltiferous pyrite (approximately 80% of the 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 Zone.

Deposit Type

Copper-cobalt-silver-zinc mineralization at Bornite forms disseminations, veins, and massive sulphides in stacked, semi-stratabound bodies closely associated with secondary hydrothermal dolomitization. The cross-cutting nature of the mineralization along with the presence of early pyrite and sphalerite in sedimentary breccia clasts suggest an epigenetic origin that was temporally very close after the deposition of host strata. Re-Os dating supports this interpretation.

Data are limited regarding the sources and nature of the copper-rich fluids that formed the Bornite deposit, but they suggest that mineralizing fluids may have formed from the interaction of saline basin fluids with mafic volcanic rocks in the area.

An early epigenetic carbonate-hosted Cu-Co model is applicable for exploration targeting in the project area.

Exploration

Exploration work completed by Kennecott 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. Most 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.

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 totalled 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 to compile a unified airborne magnetic map for the Ambler Mining District from Kennecott, Alaska DNR, and NOVAGOLD airborne geophysical surveys.

[Table of Contents](#)

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 line is 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

Considering 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 Trilog 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.

[Table of Contents](#)

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 litho-geochemical 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.

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

[Table of Contents](#)

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. 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 QAQC 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 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. A specialist in carbonate geology from Laurentian University re-logged two fences/sections of drill holes, east-west and north-south, through the Bornite deposit, to identify, distinguish and correlate lithofacies within

[Table of Contents](#)

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 centrimetrically 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. 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.

Two diamond drill holes targeting the Bornite copper-hosting carbonate sequence in the Cosmos Hills and Ambler Lowlands were completed during the 2021 field season. Hole ALL21-001 targeted the northeast projection of the Bornite carbonate sequence under cover in the Ambler Lowlands about 7 km east-northeast of Bornite. The second hole, hole RC21-0267 was located at West Bornite, along the Coxcomb Ridge Pardner Hill saddle, 3.5 km west of the Bornite deposit.

Hole ALL21-001 intercepted alternating units of limestone clastic breccia, dolostone clastic breccia, limestone and dolostone with textures similar to the Beaver Creek carbonates; alternating intervals of argillaceous phyllite, argillaceous limey phyllite, argillaceous phyllitic limestone, and argillaceous limestone clastic breccias. The phyllitic units host trace pyrite mineralization and have geochemical signatures that are similar to Beaver Creek phyllites. Unfortunately, the hole was lost at 335 m without drilling through the carbonate stratigraphy.

Hole RC21-0267 tested the down-dip projection of weakly mineralized dolomitic breccia mapped in the saddle between Coxcomb Ridge and Pardner Hill. The hole intersected argillaceous phyllite (probable Beaver Creek) followed by Bornite sequence: alternating tan phyllitic limestone, tan limey phyllite, argillaceous/carbonaceous phyllitic limestone, limestone clastic breccia, limestone, and argillaceous limestone clastic breccias and dolostone clastic breccia. Trace to locally 1% chalcopyrite, with lesser amounts of sphalerite, and tennantite/tetrahedrite occur through-out a 180 m thickness of dolostone clastic breccia, mostly as disseminations within the breccia matrix and in this carbonate veins. Within this zone a 54.9 m thick interval averages 0.165% Cu starting from 196.5 m. RC21-0267 ended in a quartz phyllite fault zone at 435 m.

Ambler Metals (2022)

During the 2022 field season, structural mapping around Pardner Hill and Aurora Mountain carried out in 2021 was extended to the south to Cosmos Mountain and to the east to Inerevuk Mountain. In addition, two holes were drilled, hole RC22-0268 at Bornite West to follow up the mineralized interval encountered during the 2021 drilling, and the other

at Pardner Hill, hole PH22-0180 to test the down-dip potential of the historical Pardner Hill resource to the south. The results of these two holes are being compiled and interpreted.

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.

In the summer of 2018, Trilogy Metals conducted a drilling program 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. Three additional holes were collared but were abandoned due to drilling problems.

In the summer of 2019, Trilogy Metals completed another drilling program 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.

Between 2012 and 2014, Trilogy Metals geologists re-logged and re-sampled legacy drill holes in the Ruby Zone and South Reef area which were previously drilled and only selectively sampled by Kennecott. These assays were used in the estimation of the current mineral resource, except where duplicates of Kennecott samples were collected. In the case of duplicates, the original assay information was given priority in the mineral resource database.

In the initial years of drilling at Bornite, Kennecott relied on AX diameter core (30.2 mm diameter), but, as drilling migrated towards deeper targets, a change to BX diameter core (41.3 mm diameter) was implemented to help limit deviation. From 1966 to 1967, drilling activity at Bornite moved underground and EX diameter core (21.5 mm diameter) was implemented to define the Ruby Zone Upper Reef "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 (54.0 mm diameter) and finally, in 2011, core size increased to NQ (47.6 mm diameter) and HQ (63.5 mm diameter). Over the years, progressively larger diameter drill rods have been used in an effort to minimize drill hole deviations.

There is limited information with respect to the specific drill core handling procedures used by BCMC/Kennecott. All drill data collected during 1957 to 1997 were logged on paper drill logs with copies were stored in the Kennecott office in Salt Lake City, Utah. Electronic, scanned copies of the paper logs are held by Trilogy and stored in the Fairbanks field office. Drill core was sawed or split in half with a splitter, half was submitted to various assay laboratories and the remainder was stored in the Kennecott/BCMC 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 Microsoft™ SQL database. Sampling of drill core by Kennecott/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 all-terrain vehicle 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. Geo-technicians 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. Geo-technicians 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 (recorded as percent), sulphide type (recorded as a relative amount) 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 QAQC 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.

Preliminary geotechnical data was collected from drill core such as RQD and limited hydrogeology data has been obtained which is sufficient to support early-stage resource estimation. The Wood QP is not aware of any drilling, sampling or recovery factors that could materially impact the accuracy and reliability of the copper results supporting the mineral resource estimate other than what is described in the sections that follow.

Sampling, Analysis and Data Verification

There is limited documentation available describing the sample preparation, security, and analysis of drill core samples with mixed in QAQC check assays.

Gold and silver were likely analyzed by fire assay off site. Between 2012 and 2014, Trilogy Metals completed a re-assay and re-sampling program of the historical drill holes. As a result, 67% of the historical hole assay values are now supported by a current and documented QAQC program

The drill core sampling procedures are described above. After the 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, British Columbia 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. Control 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.

Security measures taken during historical Kennecott and BCMC programs are not known to Trilogy Metals; however, Trilogy Metals is not aware of any reason to suspect that any of these samples have been tampered with. The 2011 to 2019 samples were either in the custody of NOVAGOLD or Trilogy Metals personnel, or the assay laboratories at all times and the chain of custody of the samples is well documented.

Copper and cobalt data were derived using a 48-element suite assayed by inductively coupled plasma-mass spectrometry (ICP-MS) and atomic emission spectroscopy (ICP-AES) methodologies, following a four-acid digestion. The lower detection limits for copper and cobalt are 0.2ppm and 0.1 ppm, respectively. The upper limits were 10,000ppm. 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. Trilogy Metals also retained independent consultant GeoSpark Consulting Inc. ("GeoSpark") to import digital drill data to the master database and conduct QAQC checks upon import; conduct a QAQC 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 QAQC report for each of the drilling campaigns conducted in 2012, 2013, 2014, 2017, 2018 and 2019, including a 2017 review of the cobalt data. QAQC monitoring by GeoSpark included assessment laboratory precision and accuracy using assay results from certified reference standards, blanks and duplicates inserted into the sample stream by Trilogy Metals personnel.

Wood's geology and resource QP visited the Bornite property from August 29 to September 9, 2022. During the visit, he reviewed drill core, measured drill collars with a handheld GPS unit, visited the historical trench area and viewed the deposit area by helicopter. Wood's geology and resource QP also measured five surface drill collars with a handheld GPS unit. Out of five drill collars, one drill collar was off more than 40 m when compared to the collar database. After further investigation, Ambler Metals identified seven drill collars in the database with planned coordinates, rather than the surveyed coordinates. The QP has reviewed the metallurgical testwork reports, the analytical procedures, qualification of the laboratory, and presentation of the test results and considers all to have followed industry accepted practice.

Inspection of the historical drill hole data has revealed some issues with collar, down hole survey and assay results. There are 183 historical holes representing 46% of the total drilled metres in the Bornite database 177 of which are in the Ruby Zone and six of which are in the South Reef area. There are no significant concerns with the current collar survey records. Issues identified are manageable by the significant number of drilling and sampling that has been undertaken, and restriction of the resource classification to the Inferred category.

Wood's geology and resource QP's review of the database transcription error checks is considered adequate and provides sufficient support for the database to be judged as acceptably error free. In the opinion of the QP the metallurgical data is adequate for the purposes used in the NI 43-101 Bornite Report and the S-K 1300 Bornite Report.

Mineral Processing and Metallurgical Testing

In 1961, Kennecott collected 32 coarse reject samples from five drill holes intersecting the Bornite deposit (RC-34, RC-54, RC-60, RC-61, and RC-65) to support preliminary metallurgical testwork conducted at KRC. Samples targeted high-grade (>10%) copper mineralization from the Ruby Zone Upper Reef ("No. 1 Ore Body") (BCMC, 1961). Locked-cycle laboratory testwork suggested that 97.64% of the copper was recoverable in a concentrate assaying 43.90% Cu. Fine-

[Table of Contents](#)

grinding to 5% passing +200-mesh was required to obtain the liberation of copper minerals from pyrite necessary for such a high recovery. Mineralogical testwork on the composite sample showed high-grade mineralization of the Ruby Zone Upper Reef is dominated by bornite with subordinate chalcocite and chalcopyrite.

A total of four metallurgical testwork programs have been conducted on materials from the Bornite Property under the supervision of Trilogy Metals.

In 2012, Trilogy Metals contracted ALS Metallurgy to conduct preliminary sample characterization and flotation testwork on mineralized samples collected from the South Reef area. To the extent known, the samples are representative of the styles and types of mineralization present in the South Reef area. The program at ALS Metallurgy was based on traditional grinding and flotation testwork aimed at producing saleable copper concentrates. The testwork continued into 2013.

In 2017, Trilogy Metals contracted SGS to conduct detailed metallurgical testwork on a series of samples that represent the lower grade mineralization within the constraining pit shell. This work followed the preliminary flowsheet and process options outlined in the 2012/2013 testwork. This testwork continued into 2018.

Additional metallurgical testing was conducted by ALS Metallurgy in 2018/2019 and again in 2020/2021 which followed on from the process development of the earlier testwork.

Metallurgical testwork to date indicates that the Bornite mineralization can be treated using standard grinding and flotation methods to produce clean copper concentrates with good results being obtained.

Mineral Resource Estimates

The mineral resources were prepared in accordance with CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (November 2019) and reported in accordance with CIM Definition Standards for Mineral Resources and Mineral Reserves (CIM Definitions Standards, 2014) and the standards and definitions of S-K 1300. The QP considers the sample preparation, security and analytical procedures adequate to support an Inferred mineral resource.

The Bornite 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. A total of 242 drill holes are used in the mineral resource estimate 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 has reasonable prospectus for eventual economic extraction.

During the 2012, 2013 and 2014 field seasons, Trilogy collected samples from drill hole intervals that were not previously 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 and are included in the database. The sampling and assaying for cobalt is less extensive. Where assay data are not available, these intervals are assigned a zero grade for cobalt (0% Co) when the host rocks are phyllite, or they are left blank when the host rocks are carbonates. 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.

[Table of Contents](#)

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 resource estimation.

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. 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. 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 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 grades (above the 0.2% Cu threshold), but these tend to be rare and localized occurrences.

Indicator values are assigned to 2 m composites at the grade thresholds, 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 only economic contributor at Bornite. There is potential for reasonable prospects of eventual economic extraction for cobalt with additional drill information and metallurgical testwork to establish the appropriate process options available to produce marketable pyrite-cobalt concentrate. Currently there is insufficient information to identify reasonable process method for economic recovery of cobalt or a market for the pyrite-cobalt concentrate. 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 amenable to either open pit or underground mining methods. Underground mining assumes a combination of longhole stoping and cut-and-fill methods with an average assumed mining cost \$73.62/t mined. Using these parameters an open pit marginal cut-off grade of 0.5% Cu and an underground break-even cut-off grade of 1.79% Cu were determined. The underground mining shape is based on a 1.79% Cu grade shell and then a filter was applied to remove isolated blocks that are outside of the underground mining shape that would not meet reasonable prospects for eventual economic extraction. A 20 m pillar was imposed between mining the pit shell and underground mining shapes.

The Wood QP considers industry consensus on a long-term price forecast on mineral reserves and cash flows of \$3.50/lb Cu is reasonable. It is in accordance with industry-accepted practice to use higher metal prices for the mineral resource

estimates than the pricing used for mineral reserves. The copper price forecast of \$3.50/lb was increased by approximately 15% to provide the mineral resource estimate copper price assumption of \$4.05/lb.

Mineral Resources are classified in accordance with S-K 1300 and the CIM Definition Standards for Mineral Resources and Mineral Reserves (May 2014).

The Wood QP reviewed and performed validation checks on the mineral resource model and based on the results prepared a revised mineral resource statement that is summarized in Table 1. The mineral resource estimates are based on a combination of open pit and underground mining methods and a copper price of \$4.05/lb. Mineral resources amenable to open pit methods are constrained within a pit shell above a marginal cut-off grade of 0.5% Cu and those amenable by underground methods are constrained within a grade shell defined by a breakeven cut-off grade of 1.79% Cu. A portion of the in-pit mineral resource is well above the 1.79% Cu cut-off and would be amenable to underground mining methods providing flexibility on how to develop the deposit (Table 2).

Table 1 – Mineral Resources for the Bornite Deposit as of November 30, 2023

Class	Type/Area	Cut-off (Cu %)	Tonnes (Mt)	Average Grade Cu (%)	Contained Metal Cu (Mlb)
Inferred	In-Pit	0.50	170.4	1.15	4,303
	Outside-Pit South Reef	1.79	22.0	3.48	1,690
	Outside-Pit Ruby Zone	1.79	10.4	2.28	521
Total Inferred – 100%			202.7	1.46	6,514
Total Inferred – 50% Attributable Interest			101.3	1.46	3,257

Note:

1. A Qualified Person and an employee of the Company, has approved the mineral resources included in this Annual Report on Form 10-K as of November 30, 2023 and reviewed the resources in the S-K 1300 Bornite Report and confirmed that the resources remain current as of November 30, 2023.
2. Mineral resources are prepared in accordance with the definitions in S-K 1300 and CIM Definitions Standards (2014). No mineral reserves have been estimated on the Bornite Property.
3. Mineral resources are constrained by: an open pit shell at a cut-off grade of 0.5% Cu, with an average pit slope of 43 degrees; and underground mining shapes with a cut-off grade of 1.79% Cu. The cut-off grades include the considerations of a \$4.05/lb Cu price, process recovery of 87.2%, open pit mining costs of \$3.21/t mined, underground mining cost of \$73.62/t mined, process cost of \$19.14/t processed, G&A cost of \$4.14/t processed, treatment, refining, sales cost of \$0.73/lb Cu in concentrate, road use cost of \$8.04/t processed, 2% NSR royalty.
4. Trilogy Metals' attributable interest is 50% of the tonnage and contained metal stated in the table.
5. Figures may not sum due to rounding.
6. The mineral resources are reported in place (point of reference).

Table 2 – Portions of South Reef Mineral Resource Amenable to Underground Mining

Class	Type/Area	Cut-off (Cu %)	Tonnes (Mt)	Average Grade Cu (%)	Contained Metal Cu (Mlb)
Inferred	In-Pit South Reef ¹	1.79	11.0	3.56	864
	Outside-Pit South Reef ²	1.79	22.0	3.48	1,690
Inferred	Total South Reef		33.0	3.51	2,554

Note:

1. Subset of the mineral resource and is not additive to the in-pit mineral resource reported in Table 1
2. Restatement of the mineral resources outside of the pit as reported in Table 1 and is not additive to Table 1

Some of the in-pit mineral resources are of sufficiently high grade to allow mining by underground mining methods which allows flexibility on how they could eventually be extracted.

Additional factors that could affect the mineral resource estimate include:

- Unrecognized complexity and other changes to the interpretation of the geological model and grade shell
- Changes to the mineral resource estimate methodology
- Adjustments to address the perceived high-grade bias in the higher-grade copper
- Unrecognized metallurgical variability
- Additional work may allow the inclusion of cobalt in future updates to the mineral resource statement and expand the mineral resource.
- Approval for developing road access to site.

Exploration, Development, and Production

Based on the mineral resource estimates and existing metallurgical testwork presented in this NI 43-101 Bornite Report and S-K 1300 Bornite Report, the QPs recommend Trilogy Metals continue to improve their understanding of the Bornite property's structural geology and their confidence in the database with additional re sampling, drilling and database reviews, scoping study as well as conduct additional metallurgical testwork, hydrogeological and geotechnical assessments, and environmental studies totalling between \$16.8 and \$19.9 million.

Exploration Potential

Outcropping exposures of the mineralization-hosting carbonate stratigraphy along with large areas of dolomite alteration occur over approximately 18 km of strike along the northern flank of the Cosmos Hills. Historical exploration drilling focused solely on outcropping mineralization and subsurface extensions at the Bornite, Aurora Mountain, and Pardner Hill areas. Much of the carbonate belt has still yet to be evaluated. In addition, airborne geophysics completed in 2006 show the Bornite carbonate sequence and the bounding stratigraphy dip to the north under the Ambler Lowlands toward the Ambler Schist Belt. This opens a large area to explore for deposits beneath the till and recent sediments that occupy the lowlands.

Exploration by Kennecott and Trilogy Metals has used a variety of methodologies. In 1996, Kennecott completed an initial gravity survey of the Ambler Lowlands showing significant gravimetric anomalies that may indicate structural dislocations and potential alteration and mineralization. In 2011, Trilogy Metals investigated both deep IP and NSAMT geophysical techniques. Results from the 2011 program led to a 2012 district-wide, 200 m dipole-dipole, deep-penetrating IP survey.

Along with extensive physical property data captured for all lithologies, airborne EM and magnetic data, the IP data was used to develop a comprehensive geophysical model of the district to support future exploration targeting. In 2017, Trilogy Metals conducted a more detailed gravity survey that delineated significant north-northeast to northeast oriented structures which appear in part to control local basin morphology and mineralization.

Geochemical methods include conventional and DPG and litho-geochemical vectoring. Test lines using DPG methods with various selective partial leaches of metals proved effective in recognizing margins of South Reef mineralization at significant depths under cover. A recent analysis of the extensive ICP trace element data set at Bornite demonstrates some significant alteration vectors including iron content of various hydrothermal dolomites. Simple XRF analysis of dolomites in the field might prove effective in vectoring toward Fe-poor mineralized dolomite sections.

A better understanding of the basin development and its structural framework is critical to the exploration of Bornite-style systems. Dating of mineralization in the Ambler Mining District suggests that the Ambler schist belt that hosts the Arctic deposit and the Bornite carbonate-hosted mineralization are close to contemporaneous. However, some textural and metamorphic observations suggest a possible Jura-Cretaceous or younger age for Bornite and as such, mineralization at Bornite is suspected to slightly post-date host stratigraphy. This early and extensive syngenetic/early epigenetic signature, along with the overall fluid chemistry of the system investigated by early workers, such as Hitzman (1983 and 1986), point to large saline basin-generated fluid transport as the mechanism controlling the metallogeny of the Ambler Mining District. Importantly, similar metallogenies related to saline, basin-generated fluids and their associated deposits form some of the largest copper districts in the world.

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

Internal Controls Over Mineral Resource and Reserve Estimates

Trilogy has internal controls for reviewing and documenting the information supporting the mineral resource and mineral reserve estimates, describing the methods used, and ensuring the validity of the estimates.

Information that is used to compile mineral resources and reserves is prepared and certified by appropriately qualified persons at the project sites and is subject to our internal review process which includes review by appropriate management and a Qualified Person employed by Trilogy.

The corporate Qualified Person presents the mineral resource and reserve information to the Board's Technical Committee for their review on a periodic basis.

Mineral Reserve and Resource Estimate Comparison Between November 30, 2023 and 2022

Mineral Reserves Comparison for Arctic

There were no changes to the mineral reserve estimates for the Arctic project from November 30, 2022 to November 30, 2023.

Mineral Resources Comparison for Arctic

There were no changes to the mineral resource estimates for the Arctic project from November 30, 2022 to November 30, 2023.

Mineral Resources Comparison for Bornite

There were no changes to the mineral resource estimates for the Bornite project from November 30, 2022 to November 30, 2023.

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, 2023.

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 9, 2024, there were 1,447 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 2023, 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 summary describes, as of the date hereof, the principal Canadian federal income tax consequences under *Income Tax Act* (Canada) (the “Tax Act”) and the regulations thereunder (the “Regulations”) generally applicable to a holder of Common Shares who, at all relevant times, for the purposes of the Tax Act, (i) holds such Common Shares as capital property, (ii) deals at arm’s length with the Company, (iii) is not affiliated with the Company, (iv) is not, and is not deemed to be, a resident of Canada, and (v) does not use or hold (and will not be deemed to use or hold) the Common Shares in the course of carrying on a business in Canada, or otherwise in connection with a business carried on in Canada (a “Non-Resident Holder”). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere or is an “authorized foreign bank” (as defined in the Tax Act). Such Non-Resident Holders should consult their own tax advisors.

The Common Shares will generally be considered capital property to a Non-Resident Holder provided that the Non-Resident Holder does not use or hold (and will not use or hold) the Common Shares in the course of carrying on a business of trading or dealing in securities and such Non-Resident Holder has not acquired (and will not acquire) the Common Shares in one or more 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” under, and entitled to the benefits of, the Convention, Certain U.S. resident entities that are fiscally transparent for United States federal income tax purposes (including certain limited liability companies) may not in all circumstances be entitled to the benefits of the Convention. Members of or holders of an interest in such an entity that holds Common Shares should consult their own tax advisors regarding the extent, if any, to which the benefits of the Convention will apply to the entity in respect of its Common Shares.

This summary is based on the information contained in this Form 10-K, the current provisions of the Tax Act, the Regulations, the current provisions of the Convention and counsel’s understanding of the published administrative policies and assessing practices of the Canada Revenue Agency (the “CRA”) published in writing by the CRA 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”). This summary assumes that the Proposed Tax Amendments will be enacted substantially as proposed; however, no assurances can be given that the Proposed Tax Amendments will be enacted as proposed or at all. Other than the Proposed Tax Amendments, this summary does not take into account or anticipate any changes in law or the administrative policies or assessing practices of the CRA, whether by way of legislative, governmental or judicial decision or action, nor does it take into account other federal or any provincial, territorial or foreign legislation or considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations of acquiring or holding Common Shares. This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal, business, or tax advice to any particular Non-Resident Holder and no representations with respect to the tax consequences to any particular Non-Resident Holder are made. Accordingly, Non-Resident Holders should consult their own tax advisors as to the Canadian federal tax consequences, and the tax consequences of any other jurisdiction, applicable to them having regard to their own particular circumstances.

Currency Conversion

Generally, for purposes of the Tax Act, all amounts calculated in a currency other than the Canadian dollar relating to the acquisition, holding or disposition of Common Shares must be converted into Canadian dollars based on the exchange rates determined in accordance with the Tax Act. The amount of dividends to be included in income, and capital gains and losses realized by a Non-Resident Holder, may be affected by fluctuations in the relevant exchange rates.

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 or deemed disposition, the Common Shares generally will not constitute taxable Canadian property of a Non-Resident Holder, unless (a) at any time during the 60-month period immediately preceding the disposition the following two conditions are met concurrently: (i) one or any combination of (A) the Non-Resident Holder, (B) persons not dealing at arm’s length with such Non-Resident Holder, (C) partnerships in which the Non-Resident Holder or a person described in (B) holds a membership interest directly or indirectly through one or more partnerships, owned 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 options in, or interests in, or for civil law rights in, such properties, whether or not the property exists, or (b) the Common Shares are otherwise deemed to be taxable Canadian property pursuant to certain circumstances prescribed in the Tax Act.

If the Common Shares are taxable Canadian property to a Non-Resident Holder, an applicable income tax treaty or convention, including the Convention, may in certain circumstances exempt that Non-Resident Holder from tax under Tax Act in respect of the disposition or deemed disposition of the Common Shares.

A Non-Resident Holder whose shares are taxable Canadian property should consult their own advisors having regard to their particular circumstances.

Dividends on Common Shares

Under the Tax Act, dividends on Common Shares paid or credited or deemed to be 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 unless such rate is reduced by the terms of an applicable income tax treaty or convention. In general, in the case of a U.S. Holder who is paid or credited a dividend or deemed dividend, is the beneficial owner of such dividend or deemed dividend, and who qualifies for full benefits under the Convention, the rate of such Canadian withholding tax will generally be reduced to 15% of the gross amount of such dividend (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 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. The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting of which Canada is a signatory, affects many of Canada’s tax treaties (but not the Convention), including the ability to claim benefits thereunder. Non-Resident Holders should consult their own tax advisors to determine their entitlement to relief under an applicable income tax treaty or convention.

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.

[Table of Contents](#)

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 the 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 non-U.S. 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 non-U.S. 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 integrated transactions; (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 subject to special tax accounting rules; (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 S corporations (and shareholders thereof); (k) are U.S. expatriates or former long-term residents of the United States; or (l) U.S. Holders that hold Common Shares in connection with a trade or business, permanent establishment, or fixed base outside the United States; or (m) U.S. Holders that are subject to the alternative minimum tax. 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 non-U.S. 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 non-U.S. 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

Dividends paid on Common Shares will be treated as foreign-source income, and generally will be treated as “passive category income” or “general category income” for U.S. foreign tax credit purposes. Any gain or loss recognized on a sale or other disposition of Offered Shares generally will be United States source gain or loss. Certain U.S. Holders that are eligible for the benefits of the Convention may elect to treat such gain or loss as Canadian source gain or loss for U.S. foreign tax credit purposes. The Code applies various complex limitations on the amount of foreign taxes that may be claimed as a credit by U.S. taxpayers. In addition, Treasury Regulations that apply to taxes paid or accrued (the “Foreign Tax Credit Regulations”) impose additional requirements for Canadian withholding taxes to be eligible for a foreign tax credit, and there can be no assurance that those requirements will be satisfied. The Treasury Department has recently released guidance temporarily pausing the application of certain of the Foreign Tax Credit Regulations.

Subject to the PFIC rules discussed below, and the Foreign Tax Credit Regulations, as discussed above, 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, 2019, 2022 and 2023 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".

[Table of Contents](#)

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.

[Table of Contents](#)

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

Under U.S. federal income tax law, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, U.S. return disclosure obligations (and related penalties) are imposed on individuals who are U.S. Holders that hold certain specified foreign financial assets in excess of certain thresholds. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non-U.S. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person and any interest in a foreign entity. U.S. Holders may be subject to these reporting requirements unless their Common Shares are held in an account at certain financial institutions. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult with their own tax advisors regarding the requirements of filing information returns, including the requirement to file an IRS Form 8938.

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, currently 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.

The discussion of reporting requirements set forth above is not intended to constitute a complete description of all reporting requirements that may apply to a U.S. Holder. A failure to satisfy certain reporting requirements may result in an extension of the time period during which the IRS can assess a tax and, under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting requirement. Each U.S. Holder should consult its own tax advisors regarding the information reporting and backup withholding rules.

THE ABOVE SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSIDERATIONS APPLICABLE TO U.S. HOLDERS WITH RESPECT TO THE ACQUISITION, OWNERSHIP, AND DISPOSITION OF COMMON SHARES. U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSIDERATIONS APPLICABLE TO THEM IN LIGHT OF THEIR OWN PARTICULAR CIRCUMSTANCES.

Item 6. [Reserved]

Not applicable

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 8, 2024 and provides an analysis of our audited financial results for the year ended November 30, 2023 compared to the year ended November 30, 2022. A discussion of our year ended November 30, 2023 compared to November 30, 2022 is contained in our report on Form 10-K for the year ended November 30, 2023.

The following information should be read in conjunction with our November 30, 2023 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.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at November 30, 2023, the Company had a working capital surplus of \$2.4 million (2022 - \$2.4 million) and an accumulated deficit of \$81.8 million (2022 - \$66.9 million). The Company has no recurring source of cash inflows at its current stage. The Company’s cash outflow from operations was \$3.1 million for the year ended November 30, 2023. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on a favourable terms. These material uncertainties raise substantial doubt about the Company’s ability to continue as a going concern.

Richard Gosse, P. Geo, VP Exploration of the Company, 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.sedarplus.ca 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 (the “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.

Corporate developments

Private Placement

On April 25, 2023, the Company completed non-brokered private placement of 5,854,545 common shares of the Company (the "Common Share") at a price of \$0.55 per Common Share for gross proceeds of \$3.2 million. After legal and stock exchange fees, the Company received net proceeds of \$3.1 million.

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 448,217 acres (181,387 hectares) consisting of the Ambler and Bornite lands.

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 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, inclusive of the Arctic and Bornite Projects, 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.

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 amounts paid to NANA were recorded as acquisition costs for the Bornite Project.

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

On February 11, 2020, pursuant to a contribution agreement among Trilogy and South32, Trilogy contributed all its assets associated with the UKMP, including the Arctic and Bornite Projects in exchange for a 50% membership interest in Ambler Metals. Simultaneously, South32 contributed \$145 million cash in exchange for a 50% membership interest in Ambler Metals.

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 maximum exposure to loss in this entity is limited to the carrying amount of our investment in Ambler Metals, which, as of November 30, 2023, totaled \$135.0 million.

Upper Kobuk Mineral Projects

The Company announced the second and third set of drilling results from the 2022 field season at the UKMP on January 25, 2023 and February 27, 2023, respectively. On April 4, 2023, the Company announced the final set of drilling results from the 2022 field season at the UKMP.

On February 14, 2023, the Company announced an updated feasibility study technical report for the Arctic Project and an updated resource for the Bornite Project, and filed NI 43-101 technical reports for both projects with the Canadian securities regulators. In addition, the Company announced technical report summaries for both projects prepared in accordance with S-K 1300, which were filed as exhibits with the annual report for the fiscal year ended November 30, 2022 on Form 10-K.

In July 2023, Ambler Metals used the camp to support a small team of geologists who were continuing work started in 2022 on the stratigraphy and alteration of the Arctic deposit. The focus of the work was to relog existing drill core from 13 holes across the deposit and 4 holes from regional prospects. In addition, sampling was undertaken for chemostratigraphy and alteration footprint definition. Geological and talc models for the Arctic deposit were updated and an updated geological and structural model for the area surrounding Arctic was recommended.

The camp was also utilized by Ambler Metals to conduct sampling of core from the Bornite deposit to be used in a study initiated by the Center to Advance the Science of Exploration to Reclamation in Mining ("CASERM") at the Colorado School of Mines to investigate the occurrence and distribution of critical elements, including germanium. Ambler Metals has recently accepted a proposal from CASERM with leveraged funding from the United States Geological Survey to contribute samples from Bornite to further investigate the occurrence, distribution, and sequestration of critical elements, including germanium, using a suite of micro-analytical methods such as SEM- and XRF-based techniques, electron probe micro analysis, and LA-ICP-MS. Objectives of the study include compiling a comprehensive whole-rock 60+ geochemical dataset of select samples from the Bornite deposit that complement the existing dataset from the South Reef area related to a recently prepared Master of Science thesis.

Bornite Studies

During the third quarter, Ambler Metals engaged Wood Canada Limited and SRK Consulting (Canada) Inc. to complete an initial scoping level study on the Bornite deposit to determine if the ore at Bornite may extend the mine life at the proposed Arctic Project. The scope of work covers mining, processing, hydrogeology, infrastructure, tailings management, and waste rock management.

The study assumes that ore from Bornite will be transported approximately 30 km northeast to the Arctic mill for processing after completion of mining at the Arctic deposit. Bornite will utilize the proposed infrastructure supporting the Arctic Project including power generation, airstrips and camp. There are potential significant synergies between Arctic and Bornite which could lower the overall capital costs and extend the regional mine life from 13 years for the Arctic deposit to 30 years with both Arctic and Bornite.

The study is considering both an open-pit and an underground mine using existing geologic modelling, geotechnical information, and hydrogeological information and, where possible, will rely on concepts and costs developed for the Arctic Feasibility Study.

Metallurgical test work to potentially increase cobalt reporting with copper concentrate was initiated in July using three previously tested concentrates from the Bornite deposit. The test work is being conducted by ALS Minerals and was completed in the fourth quarter of this year.

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

In March 2023, the Board of Ambler Metals approved a budget totalling \$12.3 million for the Ambler Access Project. The total budget of \$24.6 million, funded equally by AIDEA and Ambler Metals to include funding for 2023 field season work consisting of field studies, permitting and data collection to assist the USBLM in completing the additional work to support the SEIS.

AIDEA started field work in May 2023 utilizing a camp at Coldfoot, which work was completed in mid-September. In mid-June AIDEA started utilizing the Ambler Metals Bornite camp with an average of 40 people daily at camp throughout the summer with approximately 20 NANA shareholder hires among them. Ambler Metals closed the Bornite camp with no safety incidents reported. AIDEA successfully completed the planned field program from Bornite consisting of cultural resource inventory surveys and testing of sites over approximately 450 acres, hydraulic and hydrology studies at bridge crossings to assess conditions for area drainage, culvert placement and bridge design, collecting topographical and bathymetric survey data to support bridge data and fish passage culverts, engineering reconnaissance surveys and fish habitat investigations. As at November 30, 2023, \$8.4 million of total budget of \$12.3 million has been spent to date on logistics and cost of the field season.

On November 15, 2022, the United States Bureau of Land Management (“USBLM”) submitted a status report announcing that it anticipated publishing a draft Supplemental Environmental Impact Statement (“SEIS”) in the second quarter of calendar 2023 and a final SEIS in the fourth quarter of calendar 2023. On January 17, 2023 and March 20, 2023, the USBLM submitted status reports reaffirming the timing of the draft and final SEIS.

On May 19, 2023, the USBLM submitted a status report revising the timeline for development of the SEIS and a subsequent Record of Decision. The USBLM has filed the draft SEIS on October 19, 2023 and anticipated publishing a final SEIS in the first quarter of calendar year 2024, and a Record of Decision within the second quarter of calendar year 2024.

Outlook

The Company has approved a budget for Ambler Metals for fiscal 2024 in the amount of \$5.5 million (2023 - \$9.2 million) and \$2.5 million (2023 - \$12.3 million) for the Ambler Access Project of which the entire amount is funded by the Joint Venture. Ambler Metals had \$63.8 million of cash as at the fiscal year end on November 30, 2023. The main focus of

this year's budget is to support external and community affairs, maintain the State of Alaska mineral claims in good standing and the maintenance of physical assets.

The Company has approved a 2024 cash budget for corporate, head office, activities of approximately \$2.8 million (2023 - \$4.0 million). The corporate budget consists of personnel and related costs of \$0.7 million (2023 - \$0.9 million), professional fees of \$0.6 million (2023 - \$1.5 million), investor relations and marketing costs of \$0.1 million (2023 - \$0.2 million), office related costs of \$0.4 million (2023 - \$0.4 million), insurance costs of \$0.6 million (2023 - \$0.6 million), regulatory costs of \$0.3 million (2023 - \$0.3 million) and exploration activities of \$0.1 million (2023 - \$0.1 million). Trilogy had \$2.6 million of cash at the fiscal year end on November 30, 2023. The Company intends to finance its future requirements through a combination of debt and/or equity issuance.

Summary of results

in thousands of dollars,

Selected expenses	Year ended November 30, 2023 \$	Year ended November 30, 2022 \$
Exploration expenses	43	47
General and administrative	1,328	1,287
Investor relations	130	183
Professional fees	1,073	998
Salaries	753	984
Salaries and directors expense – stock-based compensation	3,887	3,427
Share of loss on equity investment	7,844	17,360
Comprehensive loss for the year	(14,951)	(24,257)
Basic and diluted loss per common share	(0.10)	(0.17)

For the year ended November 30, 2023, we reported a net loss of \$15.0 million (or \$0.10 basic and diluted loss per common share) compared to a net loss of \$24.3 million (or \$0.17 basic and diluted loss per common share) in fiscal 2022. The \$9.3 million decrease in comprehensive loss in the current year, when compared to fiscal 2022, is due to the decrease in our share of losses of Ambler Metals of \$9.5 million, decrease in salaries of \$0.2 million and partially offset from overall increase of \$0.6 million in general and administrative expenses, professional fees and salaries and directors expense – stock-based compensation when compared to prior fiscal year 2022. The decrease in our share of losses of Ambler Metals of \$9.5 million is mainly due to the decrease in mineral property expenses over the comparative to prior fiscal year 2022. The lack of an exploration drilling program during the 2023 summer field season resulted in decreases in drilling, engineering, and project support cost and partially offset from the increase in spending on the Ambler Access Project.

Fourth quarter results

For the fourth quarter of 2023, there was a \$2.2 million reduction in expenses compared to the fourth quarter of 2022. When comparing to the fourth quarter of 2023 with the fourth quarter of 2022, professional fees decreased by \$0.2 million due to additional engineering costs related to updating our technical reports in the fourth quarter of 2022 to comply with the standards and definitions of S-K1300; corporate salaries and related costs increased by \$0.2 million due to recording of additional stock-based compensation in 2023. The decrease in our share of losses of Ambler Metals of \$2.2 million is mainly due to the decrease in mineral property expenses from lack of an exploration field season in 2023 and partial offset from the increase in funding activities for the Ambler Access Project and higher salaries and wages due to restructuring costs.

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, 2023 \$	Year ended November 30, 2022 \$
Interest income	120	34
Expenses	7,227	6,925
Comprehensive loss for the year	(14,951)	(24,257)
Total assets	138,020	145,995
Total liabilities	465	567

Quarterly information

*in thousands of dollars,
except per share amounts*

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
	11/30/23	08/31/23	05/31/23	02/28/23	11/30/22	08/31/22	05/31/22	02/28/22
	\$	\$	\$	\$	\$	\$	\$	\$
Interest and other income	37	37	27	19	19	11	2	2
Exploration expense	20	22	—	1	—	—	—	—
Operating expenses	1,215	1,179	1,227	3,606	1,176	1,166	1,468	3,115
Share of loss on equity investment	1,846	2,910	1,603	1,485	4,065	8,925	2,460	1,910
Write off of mineral properties	—	—	—	—	—	(142)	119	29
Loss for the period	(3,024)	(4,052)	(2,803)	(5,072)	(5,222)	(9,938)	(4,074)	(5,023)
Loss per common share – basic and diluted	(0.02)	(0.03)	(0.02)	(0.03)	0.04	(0.07)	(0.03)	(0.03)

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, and stock-based compensation expensing. 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 fourth quarter of 2023, we reported a comprehensive loss of \$3.0 million, which consisted of \$1.2 million in operating expenses and \$1.8 million for Trilogy's 50% share of Ambler Metals' operating loss. Operating expenses for the fourth quarter of 2023 consisted of corporate salaries, professional fees, general and administrative expenses, director expenses and stock-based compensation.

For the third quarter of 2023, we reported a comprehensive loss of \$4.1 million, which consisted of \$1.1 million in operating expenses and \$2.9 million for Trilogy's 50% share of Ambler Metals' operating loss. In the third quarter of 2022, we reported a comprehensive loss of \$9.9 million, which consisted of \$1.2 million in operating expenses and \$8.9 million for Trilogy's 50% share of Ambler Metals' operating loss. The decrease in our share of losses of Ambler Metals was mainly due to an decrease in mineral property expenses from decrease in drilling, engineering and project support costs and partially offset from the increased cost in the Ambler Access Project.

For the second quarter of 2023, we reported a comprehensive loss of \$2.8 million, which consisted of \$1.2 million in operating expenses, \$1.6 million for Trilogy's 50% share of Ambler Metals' operating loss. In the second quarter of 2022,

[Table of Contents](#)

we reported a comprehensive loss of \$4.1 million, which consisted of \$1.5 million in operating expenses, \$2.5 million for Trilogy's 50% share of Ambler Metals' operating loss and \$0.1 million in mineral properties that were written off during the quarter. The decrease in comprehensive loss in the second quarter of 2023 compared to the same quarter in 2022 was due to decrease in our share loss of Ambler Metals, stock-based compensation and salaries. The decrease of our share of losses of Ambler Metals was mainly due to decrease in mineral property expenses over the comparative quarter in the prior year from decrease in drilling, engineering and project to support cost, and partially offset from increase cost in the Ambler Access Project.

For the first quarter of 2023, we reported a comprehensive loss of \$5.1 million, which consisted of \$3.6 million in operating expenses and \$1.5 million for Trilogy's 50% share of Ambler Metals' operating loss. In the first quarter of 2022, we reported a comprehensive loss of \$5.0 million which consisted of \$3.1 million in operating expenses and \$1.9 million for Trilogy's share of Ambler Metals' operating loss. The slight increase in comprehensive loss in the first quarter of 2023 compared to the first quarter of 2022 was due to increase in stock-based compensation and professional fees and partially offset from the decrease in our share of losses of Ambler Metals, investor relations and salaries. The decrease in our share of losses of Ambler Metals was mainly due to decrease in mineral property expenses.

Liquidity and capital resources

We expended \$3.1 million on operating activities during the 2023 fiscal year with the majority of cash spent on corporate salaries, professional fees related to our annual regulatory filings, annual insurance renewal, annual fees paid to the Toronto Stock Exchange and the NYSE American Exchange and with the American and Canadian securities commissions.

At November 30, 2023, we had \$2.6 million in cash and working capital (current assets less current liabilities) of \$2.4 million. Management continues with cash preservation strategies to reduce cash expenditures where feasible, including but not limited to reductions in marketing and investor conferences and office expenses. In addition, the Company's Board of Directors have agreed to take all of their fees in shares of the Company in an effort to preserve cash and increase share ownership. The Company's senior management team are also taking a portion of their base salaries in shares of the Company to preserve cash.

All project related costs are funded by the Joint Venture. Ambler Metals is well funded to advance the UKMP with \$63.8 million in cash and \$62.4 million in working capital as at November 30, 2023. There are sufficient funds at the Joint Venture to fund an operating budget of \$5.5 million and \$2.5 million for the Ambler Access Project for fiscal 2024. Trilogy does not anticipate having to fund the activities of Ambler Metals until the current cash balance \$63.8 million is expended.

Future cash requirements may vary materially from current expectations. The Company will need to raise additional funds in the future to support its operations and administration expenses. Future sources of liquidity are likely in the form of an equity financing but may include debt 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.

There is no assurance that the Company will be able to obtain such financings or obtain them on favourable terms. These material uncertainties raise substantial doubt about the Company's ability to continue as a going concern.

Off-balance sheet arrangements

We have no material off-balance sheet arrangements.

Outstanding share data

At February 9, 2024, we had 159,749,073 common shares issued and outstanding. At February 9, 2024, we had 14,354,400 stock options outstanding with a weighted-average exercise price of CDN\$1.79 and 2,623,520 Deferred Share Units (“DSUs”) and 2,818,339 Restricted Share Units (“RSUs”) outstanding. At February 9, 2024 we hold 5,144 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 859 common shares will be issued upon redemption of the NovaGold DSUs. For additional information on NovaGold DSUs, please refer to note 6 in our November 30, 2023 audited consolidated financial statements. Upon the exercise of all the forgoing convertible securities, the Company would be required to issue an aggregate of 19,797,118 common shares.

Financial instruments

Our financial instruments consist of cash, 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, 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, 2023 is limited to Canadian dollar balances consisting of cash of CDN\$4,000, accounts receivable of CDN\$14,000 and certain trade payables and accrued personnel costs CDN\$267,000. 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 \$18,000.

(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. The majority of the Company’s cash and cash equivalents held at November 30, 2023 is uninsured. The Company does not consider any of its financial assets to be impaired as of November 30, 2023.

(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. Based on balances as at November 30, 2023, a 1% change in interest rates would result in a change in a negligible change in net loss, assuming all other variables remain constant.

[Table of Contents](#)

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 year 2023.

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.

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 judgement 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 U.S. Exchange Act and the rules of Canadian Securities Administrators, as at November 30, 2023. Based on this evaluation, the CEO and CFO have concluded that the Company’s disclosure controls and procedures were effective as at November 30, 2023.

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, 2023, 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 9, 2024 available on SEDAR+ at www.sedarplus.ca 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.sedarplus.ca 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’ 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 Ambler Metals’ cash 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; the timing of the final SEIS and a Record of Decision; 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”,

[Table of Contents](#)

“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;*
- *risks related to the future effects of the COVID-19 pandemic; 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 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;*

[Table of Contents](#)

- *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;*

[Table of Contents](#)

- *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;*
- *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; and*
- *risks related to the future effects of the COVID-19 pandemic.*

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 9, 2024, 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

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, 2023. 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, 2023.

/s/ Tony Giardini

/s/ Elaine Sanders

Tony Giardini
President, Chief Executive Officer & Director

Elaine Sanders
Vice President & Chief Financial Officer

February 9, 2024

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Trilogy Metals Inc.

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, 2023 and 2022, and the related consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for each of the three years in the period ended November 30, 2023, 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, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended November 30, 2023 in conformity with accounting principles generally accepted in the United States of America.

Substantial Doubt About the Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has no recurring source of operating cash inflows at its current stage and is dependent on its ability to obtain additional financing or to generate future operating cash inflows. These material uncertainties raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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.

Impairment indicator assessment of the Investment in Ambler Metals LLC

As described in Notes 2 and 3 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, 2023, the carrying amount of the Company's investment in Ambler was \$135.0 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 significant 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) an absence of the ability to recover the carrying amount of the investment, and (ii) whether there was a 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 impairment indicator assessment of the investment in Ambler is a critical audit matter are: the significant 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 significant judgments made by management in their assessment of indicators of impairment related to the investment in Ambler. The audit effort also involved the use of professionals with specialized skill and knowledge.

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 impairment indicators related to the investment in Ambler, which included (i) with the assistance of professionals with specialized skill and knowledge evaluating whether there was an absence of the ability to recover the carrying amount of the investment by considering the implied in situ value of recent market transactions of comparable mineral properties, 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, 2023. Performing an audit of the financial statements of Ambler as of November 30, 2023 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 8, 2024

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

Trilogy Metals Inc.
Consolidated Balance Sheets
As at November 30, 2023 and 2022

in thousands of US dollars

	November 30, 2023	November 30, 2022
	\$	\$
Assets		
Current assets		
Cash	2,590	2,573
Accounts receivable	33	17
Deposits and prepaid amounts	259	320
Total current assets	2,882	2,910
Investment in Ambler Metals LLC (note 3)	135,021	142,754
Fixed assets	4	12
Right of use asset (note 5(a))	113	319
Total assets	138,020	145,995
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 4)	432	345
Current portion of lease liability	33	189
Total current liabilities	465	534
Long-term portion of lease liability	—	33
Total liabilities	465	567
Shareholders' equity		
Share capital (note 8) – unlimited common shares authorized, no par value issued – 155,925,990 (2022 – 146,225,035)	187,886	182,178
Contributed surplus	118	122
Contributed surplus – options (note 6(b))	28,237	27,352
Contributed surplus – units (note 6(c))	3,127	2,638
Deficit	(81,813)	(66,862)
Total shareholders' equity	137,555	145,428
Total liabilities and shareholders' equity	138,020	145,995

Commitments and contingencies (note 10)

Subsequent events (note 11)

(See accompanying notes to the consolidated financial statements)

/s/Tony Giardini, President, CEO and Director _____

/s/ Diana Walters, Director _____

Approved on behalf of the Board of Directors

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

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

	2023 \$	2022 \$	2021 \$
Expenses			
Amortization	8	17	21
Exploration expenses	43	47	143
Foreign exchange loss (gain)	5	(18)	36
General and administrative	1,328	1,287	1,517
Investor relations	130	183	602
Professional fees	1,073	998	818
Salaries	753	984	2,007
Salaries and directors expense – stock-based compensation	3,887	3,427	3,472
Total expenses	7,227	6,925	8,616
Other items			
Gain on disposition of mineral property	—	(84)	—
Interest and other income	(120)	(34)	(16)
Services agreement income	—	—	(22)
Share of loss on equity investment (note 3(b))	7,844	17,360	13,082
Write off mineral properties	—	90	—
Loss and comprehensive loss for the year	(14,951)	(24,257)	(21,660)
Basic loss per common share	(0.10)	(0.17)	(0.15)
Diluted loss per common share	(0.10)	(0.17)	(0.15)
Basic weighted average number of common shares outstanding	152,647,254	145,721,736	144,428,926
Diluted weighted average number of common shares outstanding	152,647,254	145,721,736	144,428,926

(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 \$	Contributed surplus \$	Contributed surplus – options \$	Contributed surplus – units \$	Deficit \$	Total shareholders' equity \$
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
Exercise of options	81,674	76	—	(22)	—	—	54
Restricted share units	992,081	1,117	—	—	(1,117)	—	—
Joint venture contribution	31,469	51	—	—	—	—	51
Services settled by common shares	110,000	114	—	—	—	—	114
Stock-based compensation	—	—	—	1,384	2,043	—	3,427
Loss for the year	—	—	—	—	—	(24,257)	(24,257)
Balance – 2022	146,225,035	182,178	122	27,352	2,638	(66,862)	145,428
Private Placement, net of share issue cost	5,854,545	3,115	—	—	—	—	3,115
Restricted share units	3,091,614	1,911	—	—	(1,911)	—	—
Deferred share units	415,056	468	—	—	(468)	—	—
Joint venture contribution	143,505	111	—	—	—	—	111
Services settled by common shares	195,105	99	—	—	—	—	99
NovaGold DSU conversion	1,130	4	(4)	—	—	—	—
Stock-based compensation	—	—	—	885	2,868	—	3,753
Loss for the year	—	—	—	—	—	(14,951)	(14,951)
Balance – 2023	155,925,990	187,886	118	28,237	3,127	(81,813)	137,555

(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

	2023	2022	2021
	\$	\$	\$
Cash flows used in operating activities			
Loss for the year	(14,951)	(24,257)	(21,660)
Adjustments to reconcile net loss to cash flows in operating activities			
Amortization	8	17	21
Unpaid interest earned	(23)	—	—
Consulting fees settled by common shares	116	114	—
Office lease accounting	17	(16)	(15)
Gain on disposal of mineral property	—	(84)	—
Loss on equity investment in Ambler Metals LLC (note 3(b))	7,844	17,360	13,082
Unrealized foreign exchange loss (gain)	5	(18)	10
Stock-based compensation	3,887	3,427	3,472
Write off mineral properties	—	90	—
Net change in non-cash working capital			
Decrease in accounts receivable	7	2	110
Decrease (Increase) in deposits and prepaid amounts	61	(64)	(101)
Decrease in accounts payable and accrued liabilities	(64)	(506)	(36)
Total cash flows used in operating activities	(3,093)	(3,935)	(5,117)
Cash flows from financing activities			
Issuance of common shares, net of share issue cost (note 6(a))	3,115	—	—
Proceeds from exercise of options	—	54	416
Total cash flows from financing activities	3,115	54	416
Cash flows from investing activities			
Proceeds from disposition of mineral property	—	142	—
Total cash flows from investing activities	—	142	(119)
Increase (decrease) in cash	22	(3,739)	(4,820)
Effect of exchange rate on cash	(5)	4	3
Cash – beginning of the year	2,573	6,308	11,125
Cash – end of the year	2,590	2,573	6,308

(See accompanying notes to the consolidated financial statements)

Trilogy Metals Inc.

Notes to Consolidated Financial Statements

1) Nature of operations and Going Concern

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 3), 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.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for at least twelve months from the date of approval of these consolidated financial statements. As at November 30, 2023, the Company had a working capital of \$2.4 million (2022 - \$2.4 million) and an accumulated deficit of \$81.8 million (2022 - \$66.9 million). The Company recorded a loss of \$15.0 million and cash outflow from operations of \$3.1 million for the year ended November 30, 2023.

The continued operations of the Company are dependent on its ability to obtain additional financing or to generate future cash flows. The Company has no recurring source of operating cash inflows at its current stage. The Company intends to finance its future requirements through a combination of debt and equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favourable terms. These material uncertainties raise substantial doubt about the Company’s ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

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 8, 2024.

Cash and cash equivalents

Cash and cash equivalents consist of bank deposits and term deposits that are readily convertible into a known amount of cash.

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.

Trilogy Metals Inc. Notes to Consolidated Financial Statements

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, deterioration of market conditions inclusive of 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.

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

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.

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. 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

Trilogy Metals Inc.

Notes to Consolidated Financial Statements

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

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, 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

Trilogy Metals Inc. Notes to Consolidated Financial Statements

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 where key judgement is the delay on the Ambler Access Project is temporary and the delay was considered when assessing indicators of impairment. Significant estimates include income taxes, and the valuation of stock-based compensation. Actual results could differ materially from those reported.

3) Investment in Ambler Metals LLC

(a) Formation of Ambler Metals LLC

On February 11, 2020, the Company completed the formation of the 50/50 Joint Venture named Ambler Metals with 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.

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.

(b) Carrying value of investment in Ambler Metals

During the year ended November 30, 2023, 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 \$15.7 million for the year ended November

Trilogy Metals Inc.
Notes to Consolidated Financial Statements

30, 2023 (2022 - \$34.7 million). The carrying value of Trilogy's 50% investment in Ambler Metals as at November 30, 2023 is summarized on the following table.

in thousands of dollars

	\$
November 30, 2021, Investment in Ambler Metals	160,063
Joint venture equity contribution	51
Share of loss on equity investment for the year ending November 30, 2022	(17,360)
November 30, 2022, Investment in Ambler Metals	142,754
Joint venture equity contribution	111
Share of loss on equity investment for the year ending November 30, 2023	(7,844)
November 30, 2023, Investment in Ambler Metals	135,021

(c) The following table summarizes Ambler Metals' Balance Sheet as at November 30, 2023.

in thousands of dollars

	November 30, 2023	November 30, 2022
	\$	\$
Total assets	97,180	114,049
Cash	63,829	80,755
Mineral properties	30,899	30,899
Total liabilities	(2,931)	(4,335)
Accounts payable and accrued liabilities	(2,500)	(3,664)
Members' equity (total assets less total liabilities)	94,249	109,714

(d) The following table summarizes Ambler Metals' net loss for the years ended November 30, 2023, November 30, 2022 and November 30, 2021.

in thousands of dollars

	Year ended		
	November 30, 2023	November 30, 2022	November 30, 2021
	\$	\$	\$
Depreciation	150	113	77
Corporate salaries and wages	2,068	1,664	2,381
General and administrative	547	738	991
Mineral property expense	12,822	32,083	22,720
Professional fees	547	792	1,047
Foreign exchange (gain)/loss	(2)	15	6
Interest and other income	(445)	(686)	(1,058)
Comprehensive loss	15,687	34,719	26,164

(e) Related party transactions

During the fiscal year 2023, the Company received \$27,000 (2022 - \$nil) related to operating expenses paid on behalf of Ambler Metals.

During the fiscal year 2022, the Company transferred a mineral claim to Ambler Metals and received net proceeds of approximately \$140,000.

Trilogy Metals Inc.
Notes to Consolidated Financial Statements

4) Accounts payable and accrued liabilities

in thousands of dollars

	November 30, 2023	November 30, 2022
	\$	\$
Trade accounts payable	146	188
Accrued liabilities	54	36
Accrued salaries and vacation	232	121
Accounts payable and accrued liabilities	432	345

Of the accrued salaries and vacation approximately \$155,000 was settled, subsequent to the end of the year, on December 1, 2023 through the issuance of common shares of the Company (the "Common Shares").

5) Leases

(a) Right-of-use asset

in thousands of dollars

	\$
Balance as at November 30, 2021	482
Net amortization	(163)
Balance as at November 30, 2022	319
Net amortization	(206)
Balance as at November 30, 2023	113

(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, 2023	Year ended November 30, 2022
	\$	\$
Operating lease costs	216	187
Variable lease costs	140	143
Total lease expense	356	330

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, 2023, the remaining lease term was 0.6 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.

Trilogy Metals Inc. Notes to Consolidated Financial Statements

Supplemental cash and non-cash information relating to our leases during the year ended November 30, 2023 are as follows:

- Cash paid for amounts included in the measurement of lease liabilities was \$198,912.

Future minimum payments relating to the lease recognized in our balance sheet as of November 30, 2023 are as follows:

<i>in thousands of dollars</i>	
Fiscal year	November 30, 2023
2024	\$ 33
Total undiscounted lease payments	33
Effect of discounting	—
Present value of lease payments recognized as lease liability	33

6) Share capital

Authorized:

unlimited common shares, no par value

<i>in thousands of dollars, except share amounts</i>		
	Number of shares	Ascribed value
		\$
November 30, 2022	146,225,035	182,178
Private Placement, net of share issue cost	5,854,545	3,115
Restricted Share Units	3,091,614	1,911
Deferred Share Units	415,056	468
NovaGold deferred share units conversion	1,130	4
Services settled by common shares	195,105	99
Joint venture equity contribution (note 4(b))	143,505	111
November 30, 2023, issued and outstanding	155,925,990	187,886

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, 2023, a total of 5,144 NovaGold DSUs remain outstanding representing a right to receive 859 Common Shares in Trilogy, which will settle upon certain directors retiring from NovaGold's board.

(a) Common shares issuance

On April 25, 2023, the Company completed a non-brokered private placement of 5,854,545 Common Shares at a price of \$0.55 per Common Share for gross proceeds of \$3.2 million and net proceeds of \$3.1 million. Financing costs consisted of legal and stock exchange fees.

Trilogy Metals Inc.
Notes to Consolidated Financial Statements

(b) 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, 2023, the Company granted 3,230,000 stock options (2022 – 1,734,500 stock options, 2021 – 3,374,150) at an exercise price of CDN\$0.78 (2022 - CDN\$2.21, 2021 – CDN\$2.52) to employees, consultants and directors exercisable for a period of five years with various vesting terms from immediate vesting to over a two-year period. The fair value attributable to options granted in 2023 was \$0.27 (2022 -\$0.71, 2021 - \$0.84).

The fair value of the stock options recognized has been estimated using the Black-Scholes option pricing model.

Assumptions used in the pricing model for the year are as provided below.

	November 30, 2023
Risk-free interest rates	3.49%
Exercise price	CDN\$0.78
Expected life	3 years
Expected volatility	67.7%
Expected dividends	Nil

The Company recognized a stock option expense of \$0.9 million for the year ended November 30, 2023 (2022 - \$1.4 million; 2021 - \$3.3 million), net of forfeitures.

As of November 30, 2023, there were 2,131,757 unvested options outstanding with a weighted average exercise price of CDN\$1.02. The unvested stock option expense not yet recognized was \$0.2 million. This expense is expected to be recognized over the next twelve months.

A summary of the Company's stock option plan and changes during the year ended is as follows:

	November 30, 2023	
	Number of options	Weighted average exercise price CDN\$
Balance – beginning of the year	11,225,400	2.49
Granted	3,230,000	0.78
Cancelled/forfeited	(636,000)	2.55
Expired	(1,170,000)	1.43
Balance – end of the year	12,649,400	2.15

Trilogy Metals Inc.
Notes to Consolidated Financial Statements

There were no stock options exercised during the year ended November 30, 2023.

The following table summarizes information about the stock options outstanding at November 30, 2023.

Range of exercise price - CDN	Number of outstanding options	Weighted average years to expiry	Outstanding	Exercisable		Unvested
			Weighted average exercise price CDN\$	Number of exercisable options	Weighted average exercise price CDN\$	Number of unvested options
\$0.75 to \$1.00	3,180,000	4.02	0.78	1,413,328	0.78	1,766,672
\$2.01 to \$2.50	2,220,250	2.28	2.27	1,855,165	2.27	365,085
\$2.51 to \$3.00	5,866,650	1.49	2.64	5,866,650	2.64	—
\$3.01 to \$3.41	1,382,500	1.06	3.03	1,382,500	3.03	—
	12,649,400	2.22	2.15	10,517,643	2.38	2,131,757

The aggregate intrinsic value of vested share options (the market value less the exercise price) at November 30, 2023 was \$nil (2022 - \$nil, 2021 - \$0.8 million) and the aggregate intrinsic value of exercised options for the year ended November 30, 2023 was \$nil (2022 - \$0.04 million, 2021 - \$1.4 million).

(c) 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 4,640,089 RSUs granted during the fiscal year ended November 30, 2023 (2022 – 1,359,349, 2021 – nil). Directors were granted 1,283,023 DSUs throughout the year ended November 30, 2023 (2022 – 283,289, 2021 – 58,925) based on their election to receive 100% of their annual retainer in DSUs.

A summary of the Company’s RSU and DSU Plan and changes during the year ended November 30, 2023 is as follows:

	Number of RSUs	Number of DSUs
Balance – beginning of the year	257,268	1,560,734
Granted	4,640,089	1,283,023
Vested/Converted	(3,286,719)	(415,056)
Balance – end of the year	1,610,638	2,428,701

For the year ended November 30, 2023, Trilogy recognized a stock-based compensation expense of \$3.0 million (2022 - \$2.0 million, 2021 - \$0.1 million).

7) 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 the mineral properties, at the UKMP, through our equity investee (note 3) 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.

Trilogy Metals Inc.

Notes to Consolidated Financial Statements

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.

8) 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, 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, 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, 2023 is limited to the Canadian dollar balances consisting of cash of CDN\$4,000, accounts receivable of CDN\$14,000 and certain trade payables and accrued personnel costs CDN\$267,000. 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 \$18,000.

(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. The majority of the Company's cash and cash equivalents held at November 30, 2023 is uninsured. The Company does not consider any of its financial assets to be impaired as of November 30, 2023.

(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.

Trilogy Metals Inc.
Notes to Consolidated Financial Statements

Contractually obligated cash flow requirements as at November 30, 2023 are as follows.

in thousands of dollars

	Total \$	< 1 Year \$	1–2 Years \$	2–5 Years \$	Thereafter \$
Accounts payable and accrued liabilities	257	257	—	—	—
Office lease	33	33	—	—	—
	290	290	—	—	—

(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. Based on balances as at November 30, 2023 a 1% change in interest rates would result in a negligible change in net loss, 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, 2023.

Trilogy Metals Inc.
Notes to Consolidated Financial Statements

9) 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, 2023	November 30, 2022	November 30, 2021
	\$	\$	\$
Combined federal and provincial statutory tax rate	27.00 %	27.00 %	27.00 %
Income tax (recovery) at statutory rate	(4,037)	(6,549)	(5,848)
Difference in foreign tax rates	(118)	(252)	(194)
Non-deductible expenditures	239	374	937
Change in estimates in respect of prior years	15	39	116
Change in valuation allowance	3,901	6,388	4,989
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, 2023 and 2022 are as follows:

in thousands of dollars

	November 30, 2023	November 30, 2022
	\$	\$
Deferred income tax assets		
Non-capital losses	60,255	57,236
Mineral property interest	4,926	3,061
Mineral property impairment	26	17
Deferred interest	6,251	6,251
Property, plant and equipment	88	86
Lease liability	9	60
Share issuance costs	(5)	6
Other deductible temporary differences	166	181
Total deferred tax assets	71,716	66,898
Valuation allowance	(44,456)	(40,555)
Net deferred income tax assets	27,260	26,343
Deferred income tax liabilities		
Investment in Ambler Metals LLC	(27,229)	(26,257)
Right of use asset	(31)	(86)
Deferred income tax liabilities	(27,260)	(26,343)
Net deferred income tax assets	—	—

The Company has loss carry-forwards of approximately \$214 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

Trilogy Metals Inc.
Notes to Consolidated Financial Statements

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:

	<i>in thousands of dollars</i>	
	Non-capital losses Canada	Operating losses United States
	\$	\$
2024	—	569
2025	—	1,530
2026	—	7,871
Thereafter	63,192	140,858
	63,192	150,828

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, 2023 the Company has approximately \$30.8 million in operating losses that can be carried forward indefinitely.

10) Commitment

The Company has commitments with respect to an office lease requiring future minimum lease payments as summarized in note 5(b).

11) Subsequent events

On December 1, 2023, senior management and the Board of Directors were granted 358,826 RSUs and 194,819 DSUs, respectively in settlement of approximately \$155,000 for management salaries and \$82,750 for director fees.

On December 7, 2023, the Company granted 1,566,940 RSUs for short term incentives to executive and employees, all vesting immediately. Directors received an annual grant of 600,000 RSUs and 300,000 stock options, all vesting immediately. Employees and consultants received an annual grant of 2,475,000 stock options and 2,315,000 RSUs with a vesting schedule of one-third vesting immediately on the grant date, one-third to vest on the one year anniversary of the grant date and one-third to vest on the second year anniversary of the grand 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) and 15d-15(e) of the Exchange Act and the rules of Canadian Securities Administrators, as at November 30, 2023. Based on this evaluation, the CEO and CFO have concluded that the Company’s disclosure controls and procedures were effective as at November 30, 2023.

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, 2023, 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 fiscal year ended November 30, 2023 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 2024 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 2024 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 2024 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 2024 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 2024 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, 2023.

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	16,688,739	\$ 1.20	6,700,160
Equity compensation plans not approved by security holders	—	—	—
Total	16,688,739	\$ 1.20	6,700,160

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information appearing in our 2024 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 2024 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	Page
	Report of Independent Registered Public Accounting Firm (PCAOB ID 271)	106
	Consolidated Balance Sheets	108
	Consolidated Statements of Loss and Comprehensive Loss	109
	Consolidated Statements of Shareholders' Equity	110
	Consolidated Statements of Cash Flows	111
	Notes to Consolidated Financial Statements	112
2.	FINANCIAL STATEMENT SCHEDULES	
	None.	
3.	EXECUTIVE COMPENSATION PLANS AND ARRANGEMENTS	
	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.	

[Table of Contents](#)

(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 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)

[Table of Contents](#)

- 10.10 [Employment Agreement, dated November 5, 2012, between the Company and Elaine Sanders \(incorporated by reference to Exhibit 10.5 to the Company's Registration Statement on Form 10-K filed on February 12, 2013\)](#)
 - 10.11 [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 Wood Canada Limited](#)
 - 23.4 [Consent of Ausenco Engineering Canada ULC.](#)
 - 23.5 [Consent of SRK Consulting \(Canada\) Inc.](#)
 - 23.6 [Consent of Brown and Caldwell](#)
 - 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](#)
 - 96.1 [Arctic Project S-K 1300 Technical Report Summary, Ambler Mining District, Alaska \(incorporated by reference to the Company's Current Report on Form 8-K filed on February 14, 2023\)](#)
 - 96.2 [Technical Report Summary on the Initial Assessment of the Bornite Mineral Resource, Northwest Alaska, USA \(incorporated by reference to the Company's Current Report on Form 8-K filed on February 14, 2023\)](#)
 - 97.1 [Incentive Compensation Recovery Policy](#)
 - 101 The following materials from Trilogy Metals Inc.'s Annual Report on Form 10-K for the year ended November 30, 2023, 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, 2023.

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, 2023 and 2022, and the related statements of loss and comprehensive loss, changes in members' equity and cash flows for each of the three years in the period ended November 30, 2023, 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, 2023 and 2022, and the results of its operations and its cash flows for the years then ended 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.

Impairment indicator assessment 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 \$30.9 million as of November 30, 2023. 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 construction of the mineral properties, and (iii) significant decreases in the market prices of the mineral properties.

[Table of Contents](#)

The principal considerations for our determination that performing procedures relating to the impairment indicator assessment 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 construction of the mineral properties, (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, and (iv) the audit effort involved the use of professionals with specialized skill and knowledge.

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) with the assistance of professionals with specialized skill and knowledge evaluating whether there were significant decreases in the market prices of the mineral properties by considering the implied in situ value of recent market transactions of comparable mineral properties, and (iv) evaluating whether there was an accumulation of costs significantly in excess of the amount originally expected for the 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 8, 2024

We have served as the Company's auditor since 2020.

Ambler Metals LLC
Balance Sheet
As at November 30, 2023 and 2022

in thousands of US dollars

	November 30, 2023 \$	November 30, 2022 \$
Assets		
Current assets		
Cash (note 3)	63,829	80,755
Deposits and prepaid	1,256	814
Accounts receivables and other assets	11	8
Total current assets	65,096	81,577
Right of use asset (note 7)	413	651
Property, plant and equipment (note 4)	772	922
Mineral properties (note 5)	30,899	30,899
Total assets	97,180	114,049
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 6,8)	2,500	3,664
Current lease liabilities (note 7)	229	240
Total current liabilities	2,729	3,904
Long term lease liabilities (note 7)	202	431
Total liabilities	2,931	4,335
Members' equity		
Owner contribution - South 32	145,162	145,051
Owner contribution - Trilogy	31,368	31,257
Accumulated deficit	(82,281)	(66,594)
Total members' equity	94,249	109,714
Total liabilities and members equity	97,180	114,049

(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

	2023	2022	2021
	\$	\$	\$
Expenses			
Depreciation	150	113	77
Corporate salaries and wages	2,068	1,664	2,381
General and administrative	547	738	991
Mineral property expense (note 5)	12,822	32,083	22,720
Professional fees	547	792	1,047
Foreign exchange (gain)/loss	(2)	15	6
Total expenses	16,132	35,405	27,222
Other items			
Interest income	(416)	(686)	(1,058)
Other income	(29)	—	—
Loss and comprehensive loss for the year	15,687	34,719	26,164

(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, except share amounts

	Number of units outstanding	Trilogy owner contribution \$	South32 owner contribution \$	Deficit \$	Total members' equity \$
Balance - November 30, 2020	2,000,000	31,206	145,000	(5,711)	170,495
Loss for the year	—	—	—	(26,164)	(26,164)
Balance - November 30, 2021	2,000,000	31,206	145,000	(31,875)	144,331
Owner contributions	—	51	51	—	102
Loss for the year	—	—	—	(34,719)	(34,719)
Balance - November 30, 2022	2,000,000	31,257	145,051	(66,594)	109,714
Owner contributions	—	111	111	—	222
Loss for the year	—	—	—	(15,687)	(15,687)
Balance - November 30, 2023	2,000,000	31,368	145,162	(82,281)	94,249

(See accompanying notes to the financial statements)

Ambler Metals LLC
Statement of Cash Flows
For the Years Ended November 30

in thousands of US dollars

	November 30, 2023 \$	November 30, 2022 \$	November 30, 2021 \$
Cash flows from (used in) operating activities			
Loss for the year	(15,687)	(34,719)	(26,164)
Depreciation	150	113	77
Lease expense	265	264	261
Lease payments	(267)	(263)	(243)
Equity contribution by Trilogy	111	51	—
Change in working capital			
Increase in deposits and prepaids	(442)	(193)	(78)
Decrease (increase) in accounts receivable and other assets	(3)	(6)	8
Increase (decrease) in accounts payable and accrued liabilities	(1,164)	(484)	2,703
Interest earned on South32 loan	—	(628)	(1,043)
Interest received on South32 loan	—	740	1,909
Cash used in operating activities	(17,037)	(35,125)	(22,570)
Cash flows from (used in) financing activities			
Cash contribution by South32	111	51	—
Cash from financing activities	111	51	—
Cash flows from (used in) investing activities			
Principle payment on South32 loan	—	55,244	2,256
Property Staking	—	(142)	(52)
Machinery and equipment	—	(321)	(67)
Vehicles	—	(47)	—
Furniture and equipment	—	(110)	(35)
Cash from investing activities	—	54,624	2,102
Increase (decrease) in cash	(16,926)	19,550	(20,468)
Cash - beginning of the year	80,755	61,205	81,673
Cash - end of the year	63,829	80,755	61,205

(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 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 were as follows:

Respective contributions to the Joint Venture

	<i>in thousands of US dollars</i>
	\$
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 had a 7-year maturity date and was recorded at amortized cost. The loan repayment terms were such that quarterly payments became due from South32 on a quarterly basis beginning in 2Q 2021 based on forecasted expenditures. On June 21, 2022, South32 paid the full balance of the loan.

Ambler Metals LLC
Notes to Financial Statements
expressed in U.S. dollars, unless otherwise noted

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
Furniture and equipment	5 - 10 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 applies judgment to assess 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. 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.

Ambler Metals LLC
Notes to Financial Statements
expressed in U.S. dollars, unless otherwise noted

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.

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, 2023, included in cash is \$0.2 million (2022 - \$0.3 million) denominated in Canadian dollars and \$63.6 million (2022 - \$80.5 million) denominated in United States dollars. The Company holds cash with a single US Financial Institution and the majority of the cash is uninsured.

Ambler Metals LLC
Notes to Financial Statements
expressed in U.S. dollars, unless otherwise noted

4. Property, plant and equipment

A summary of property, plant and equipment as of November 30, 2023 and November 30, 2022, is as follows:

in thousands of US dollars

	Machinery and equipment \$	Vehicles \$	Computer hardware and software \$	Furniture and Equipment \$	Total \$
Cost at November 30, 2021	601	67	12	35	715
Additions	321	47	—	110	478
Accumulated Depreciation	(206)	(44)	(12)	(9)	(271)
Net book value at November 30, 2022	716	70	—	136	922
Cost at November 30, 2022	922	114	12	145	1,193
Additions	—	—	—	—	—
Accumulated Depreciation	(304)	(82)	(12)	(23)	(421)
Net book value at November 30, 2023	618	32	—	122	772

5. Mineral properties

in thousands of US dollars

	November 30, 2022 \$	Additions \$	November 30, 2023 \$
Ambler	26,899	—	26,899
Bornite	4,000	—	4,000
	30,899	—	30,899

a) Ambler

On February 11, 2020, 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, 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.

There were no mineral property additions during the period ended November 30, 2023.

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

Ambler Metals LLC
Notes to Financial Statements
expressed in U.S. dollars, unless otherwise noted

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 for the year ended November 30, 2023, November 30, 2022 and November 30, 2021. Lease expense for the warehouse previously classified as general and administrative of approximately \$81 thousand for the years ended November 30, 2021 were reclassified to mineral property expense under project support in order to align with the current period presentation.

in thousands of US dollars

	November 30, 2023	November 30, 2022	November 30, 2021
	\$	\$	\$
Ambler Access Project	8,422	6,822	2,880
Community	90	219	114
Drilling	323	7,396	3,898
Engineering	954	2,002	1,508
Environmental	341	692	621
Geochemistry and geophysics	97	1,172	975
Land and permitting	841	800	1,266
Project support	430	8,613	8,432
Safety and risk	20	562	230
Wages and benefits	1,304	3,805	2,796
Mineral property expense	12,822	32,083	22,720

6. Accounts payable and accrued liabilities

in thousands of US dollars

	November 30, 2023	November 30, 2022
	\$	\$
Accounts payable	153	1,031
Accrued salaries and vacation	1,152	845
Accrued liabilities	1,195	1,788
Accounts payable and accrued liabilities	2,500	3,664

Ambler Metals LLC
Notes to Financial Statements
expressed in U.S. dollars, unless otherwise noted

7. Leases

(a) Right of use assets

in thousands of US dollars

	November 30, 2023	November 30, 2022
	\$	\$
Opening balance	651	877
Amortization	(238)	(226)
Right of use asset	413	651

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.

(b) Lease liabilities

The headquarters and warehouse leases are operating leases ending in 2025 and 2024, respectively. There is an option to renew for both lease agreements.

Lease expense for the headquarters is recorded within general and administrative expense and for the warehouse is recorded within mineral property expense and was comprised of the following components:

in thousands of US dollars

	November 30, 2023	November 30, 2022
	\$	\$
Operating lease costs	265	264
Variable lease costs	5	3
Operating lease costs	270	267

Variable lease costs consist primarily of the Company's portion of common area maintenance fees including taxes.

As of November 30, 2023, the remaining lease term was 25 months for the headquarters office and 8 months for the warehouse.

Supplemental cash and non-cash information relating to our leases during the period ended November 30, 2023, are as follows:

- Cash paid for amounts included in the measurement of lease liabilities was approximately \$267 thousand.
- Non-cash amounts included in the measurement of lease liabilities was \$nil.

Ambler Metals LLC
Notes to Financial Statements
expressed in U.S. dollars, unless otherwise noted

Future minimum payments relating to the lease recognized in our balance sheet as of November 30, 2023 are as follows:

in thousands of US dollars

	November 30, 2023
2024 to 2025	\$ 453
Total undiscounted lease payments	453
Effects of discounting	(22)
Present value of lease payments recognized as lease liability	431

8. Related party transactions

During the year ended November 30, 2023, the Company incurred \$39 thousand related to support from Trilogy (2022 – \$nil), \$27 thousand was paid and the remaining \$12 thousand were included in accounts payable and accrued liabilities.

During the year ended November 30, 2023, the Company earned interest of \$nil (2022 - \$0.6 million) from South32.

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, 2023 is limited to the Canadian dollar balances consisting of cash of approximately CDN \$250 thousand and accounts payable of CDN \$36 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 \$17 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 single US Financial Institution. The Company's only significant exposure to credit risk is equal to the balance of cash as recorded in the financial statements. The majority of the Company's cash held at November 30, 2023 is uninsured. The Company does not consider any of its financial assets to be impaired as of November 30, 2023.

(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.

Ambler Metals LLC
Notes to Financial Statements
expressed in U.S. dollars, unless otherwise noted

Contractually obligated cash flow requirements as of November 30, 2023 are as follows:

in thousands of US dollars

	Total \$	<1 year \$	1-2 year \$	2-5 years \$	There after \$
Accounts payable and accrued liabilities	2,500	2,500	—	—	—
Warehouse and office lease	453	246	191	16	—
	2,953	2,746	191	16	—

(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. Based on cash balances as of November 30, 2023, 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, 2023 and 2022, 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 9, 2024

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:

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Tony Giardini</u> Tony Giardini	President and Chief Executive Officer (Principal Executive Officer) and Director	February 9, 2024
<u>/s/ Elaine Sanders</u> Elaine Sanders	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	February 9, 2024
<u>/s/ James Gowans</u> James Gowans	Director	February 9, 2024
<u>/s/ William Hayden</u> William Hayden	Director	February 9, 2024
<u>/s/ William Hensley</u> William Hensley	Director	February 9, 2024
<u>/s/ Gregory Lang</u> Gregory Lang	Director	February 9, 2024
<u>/s/ Janice Stairs</u> Janice Stairs	Director	February 9, 2024
<u>/s/ Diana Walters</u> Diana Walters	Director	February 9, 2024

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

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-275828, No. 333-181020, No. 333-188950, No. 333-205102, No. 333-208149, No. 333-234417 and No. 333-257095) of Trilogy Metals Inc. of (i) our report dated February 8, 2024, relating to the consolidated financial statements of Trilogy Metals Inc., and (ii) our report dated February 8, 2024 relating to the financial statements of Ambler Metals LLC, which appear in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, Canada

February 8, 2024

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, 2023.

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, No. 333-257095 and No. 333-275828) 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 6, 2024

/s/ Richard Gosse

Name: Richard Gosse

CONSENT OF WOOD CANADA LIMITED

In connection with the Trilogy Metals Inc. Annual Report on Form 10-K for the year ended November 30, 2023 and any amendments or supplements and/or exhibits thereto (collectively, the "Form 10-K"), the undersigned consents to:

- i. the use of the technical report summary titled Technical Report Summary on the Initial Assessment of the Bornite Mineral Resource, Northwest Alaska, with a report date of November 30, 2022 (the "Bornite TRS") as referenced in the Form 10-K;
- ii. the use of the technical report summary titled Arctic Project, Technical Report Summary, Ambler Mining District, Alaska, with a report date of November 30, 2022 (the "Arctic TRS") as referenced in the form 10-K;
- iii. the use of and references to our name, including our status as a third-party firm comprising mining experts, (as described in Subpart 1300 of Regulation S-K promulgated by the Securities and Exchange Commission), in connection with the TRS, Form 10-K and the Registration Statements on Form S-8 (No. 333-275828, No. 333-257095, No. 333-234417, No. 333-208149, No. 333-205102, No. 333-188950 and No. 333-181020) (the "Registration Statements"); and
- iv. any extracts or summaries of the Bornite TRS and Arctic TRS included or incorporated by reference in the Form 10-K and the use of any information derived, summarized, quoted or referenced from the Bornite TRS and Arctic TRS, or portions thereof, that was prepared by us, that we supervised the preparation of, and/or that was reviewed and approved by us, that is included or incorporated by reference in the Form 10-K and which is incorporated by reference in the Registration Statements.

Wood Canada Limited is responsible for authoring, and this consent pertains to, all Chapters of the Bornite TRS and Chapters 1.5, 1.6, 1.7, 1.8, 1.10, 1.11, 1.12, 1.14.5, 1.20.1, 1.20.2, 2.3, 2.4, 2.5, 2.6, 5.3.9, 6, 7.1, 7.2.1, 7.2.2, 7.2.3, 7.2.5, 7.2.6, 7.2.7, 7.2.8, 8.1.1, 8.1.3, 8.1.4, 8.1.5, 8.1.6, 8.2.1, 8.2.2, 8.2.3, 8.2.4, 8.3, 9, 11, 12, 13.1, 13.2, 13.3, 13.4, 13.5, 13.6, 13.7, 13.8, 13.10, 18.1.6, 18.2.2, 18.2.3, 22.3, 22.4, 22.6, 22.7, 22.8, 23.2, 23.3, 25 of the Arctic TRS.

Date: February 7, 2024

/s/ Greg Gosson

Greg Gosson, Technical Director, Geology & Compliance
Wood Canada Limited

CONSENT OF AUSENCO ENGINEERING CANADA ULC.

In connection with the Trilogy Metals Inc. Annual Report on Form 10-K for the year ended November 30, 2023 and any amendments or supplements and/or exhibits thereto (collectively, the "Form 10-K"), the undersigned consents to:

- i. the use of the technical report summary titled Arctic Project, Technical Report Summary, Ambler Mining District, Alaska, with a report date of November 30, 2022 (the "Arctic TRS") as referenced in the Form 10-K;
- ii. the use of and references to our name, including our status as an expert or "qualified person", (as described in Subpart 1300 of Regulation S-K promulgated by the Securities and Exchange Commission), in connection with the TRS, Form 10-K and the Registration Statements on Form S-8 (No. 333-275828, No. 333-257095, No. 333-234417, No. 333-208149, No. 333-205102, No. 333-188950 and No. 333-181020) (the "Registration Statements"); and
- iii. any extracts or summaries of the Arctic TRS included or incorporated by reference in the Form 10-K and the use of any information derived, summarized, quoted or referenced from the Arctic TRS, or portions thereof, that was prepared by us, that we supervised the preparation of, and/or that was reviewed and approved by us, that is included or incorporated by reference in the Form 10-K and which is incorporated by reference in the Registration Statements.

Dated February 7, 2024

/s/ Ausenco Engineering Canada ULC.
Ausenco Engineering Canada ULC.

CONSENT OF SRK CONSULTING (CANADA) INC.

In connection with the Trilogy Metals Inc. Annual Report on Form 10-K for the year ended November 30, 2023 and any amendments or supplements and/or exhibits thereto (collectively, the "Form 10-K"), the undersigned consents to:

- i. the use of the technical report summary titled Arctic Project, Technical Report Summary, Ambler Mining District, Alaska, with a report date of November 30, 2022 (the "Arctic TRS") as referenced in the Form 10-K;
- ii. the use of and references to our name, including our status as an expert or "qualified person", (as described in Subpart 1300 of Regulation S-K promulgated by the Securities and Exchange Commission), in connection with the TRS, Form 10-K and the Registration Statements on Form S-8 (No. 333-275828, No. 333-257095, No. 333-234417, No. 333-208149, No. 333-205102, No. 333-188950 and No. 333-181020) (the "Registration Statements"); and
- iii. any extracts or summaries of the Arctic TRS included or incorporated by reference in the Form 10-K and the use of any information derived, summarized, quoted or referenced from the Arctic TRS, or portions thereof, that was prepared by us, that we supervised the preparation of, and/or that was reviewed and approved by us, that is included or incorporated by reference in the Form 10-K and which is incorporated by reference in the Registration Statements.

Date: February 6, 2024

/s/ SRK Consulting (Canada) Inc.

SRK Consulting (Canada) Inc.

CONSENT OF BROWN AND CALDWELL

In connection with the Trilogy Metals Inc. Annual Report on Form 10-K for the year ended November 30, 2023 and any amendments or supplements and/or exhibits thereto (collectively, the "Form 10-K"), the undersigned consents to:

- i. the use of the technical report summary titled Arctic Project, Technical Report Summary, Ambler Mining District, Alaska, with a report date of November 30, 2022 (the "Arctic TRS") as referenced in the Form 10-K;
- ii. the use of and references to our name, including our status as an expert or "qualified person", (as described in Subpart 1300 of Regulation S-K promulgated by the Securities and Exchange Commission), in connection with the TRS, Form 10-K and the Registration Statements on Form S-8 (No. 333-275828, No. 333-257095, No. 333-234417, No. 333-208149, No. 333-205102, No. 333-188950 and No. 333-181020) (the "Registration Statements"); and
- iii. any extracts or summaries of the Arctic TRS included or incorporated by reference in the Form 10-K and the use of any information derived, summarized, quoted or referenced from the Arctic TRS, or portions thereof, that was prepared by us, that we supervised the preparation of, and/or that was reviewed and approved by us, that is included or incorporated by reference in the Form 10-K and which is incorporated by reference in the Registration Statements.

DENNIS FINK / BROWN AND CALDWELL is responsible for authoring, and this consent pertains to, the following Sections of the Arctic TRS related to the water treatment plant: 1.14.9, 1.20.7, 2.3, 15.9, 17.3.4, 17.3.6.2, 18.1.9.1, 18.2.6, 23.8, and 25.

Dated February 6, 2024

/s/ Brown and Caldwell
Brown and Caldwell

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 9, 2024

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 9, 2024

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, 2023, 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 9, 2024

By: /s/ Tony Giardini
Tony Giardini
Chief Executive Officer

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, 2023, 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 9, 2024

By: /s/ Elaine Sanders
Elaine Sanders
Chief Financial Officer

TRILOGY METALS INC.

INCENTIVE COMPENSATION RECOVERY POLICY

1. Introduction.

The Board of Directors of Trilogy Metals Inc. (the “**Company**”) believes that it is in the best interests of the Company and its shareholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company's compensation philosophy. The Board has therefore adopted this policy, which provides for the recovery of erroneously awarded incentive compensation in the event that the Company is required to prepare an accounting restatement due to material noncompliance of the Company with any financial reporting requirements under the federal securities laws (the “**Policy**”). This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), related rules and the listing standards of the NYSE American or any other securities exchange on which the Company’s shares are listed in the future.

2. Administration.

This Policy shall be administered by the Board or, if so designated by the Board, the Compensation Committee (the “**Committee**”), in which case, all references herein to the Board shall be deemed references to the Committee. Any determinations made by the Board shall be final and binding on all affected individuals.

3. Covered Executives.

Unless and until the Board determines otherwise, for purposes of this Policy, the term “**Covered Executive**” means a current or former employee who is or was identified by the Company as the Company’s president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person (including any executive officer of the Company’s subsidiaries or affiliates) who performs similar policy-making functions for the Company. “Policy-making function” excludes policy-making functions that are not significant. “Covered Executives” will include, at minimum, the executive officers identified by the Company pursuant to Item 401(b) of Regulation S-K of the Exchange Act. For the avoidance of doubt, “Covered Executives” will include at least the following Company officers: Chief Executive Officer and Chief Financial Officer.

This Policy covers Incentive Compensation received by a person after beginning service as a Covered Executive and who served as a Covered Executive at any time during the performance period for that Incentive Compensation.

4. Recovery: Accounting Restatement.

In the event of an “Accounting Restatement,” the Company will recover reasonably promptly any excess Incentive Compensation received by any Covered Executive during the three completed

fiscal years immediately preceding the date on which the Company is required to prepare an Accounting Restatement, including transition periods resulting from a change in the Company's fiscal year as provided in Rule 10D-1 of the Exchange Act. Incentive Compensation is deemed "**received**" in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive Compensation award is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period.

(a) Definition of Accounting Restatement.

For the purposes of this Policy, an "**Accounting Restatement**" means the Company is required to prepare an accounting restatement of its financial statements filed with the Securities and Exchange Commission (the "**SEC**") due to the Company's material noncompliance with any financial reporting requirements under the federal securities laws (including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period).

The determination of the time when the Company is "**required**" to prepare an Accounting Restatement shall be made in accordance with applicable SEC and national securities exchange rules and regulations.

An Accounting Restatement does not include situations in which financial statement changes did not result from material non-compliance with financial reporting requirements, such as, but not limited to retrospective: (i) application of a change in accounting principles; (ii) revision to reportable segment information due to a change in the structure of the Company's internal organization; (iii) reclassification due to a discontinued operation; (iv) application of a change in reporting entity, such as from a reorganization of entities under common control; (v) adjustment to provision amounts in connection with a prior business combination; and (vi) revision for stock splits, stock dividends, reverse stock splits or other changes in capital structure.

(b) Definition of Incentive Compensation.

For purposes of this Policy, "**Incentive Compensation**" means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure, including, for example, bonuses or awards under the Company's short and long-term incentive plans, grants and awards under the Company's equity incentive plans, and contributions of such bonuses or awards to the Company's deferred compensation plans or other employee benefit plans.

Incentive Compensation does not include awards which are granted, earned and vested without regard to attainment of Financial Reporting Measures, such as time-vesting awards, discretionary awards and awards based wholly on subjective standards, strategic measures or operational measures.

(c) Financial Reporting Measures.

“**Financial Reporting Measures**” are those that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements (including non-GAAP financial measures) and any measures derived wholly or in part from such financial measures. For the avoidance of doubt, Financial Reporting Measures include stock price and total shareholder return. A measure need not be presented within the financial statements or included in a filing with the SEC to constitute a Financial Reporting Measure for purposes of this Policy.

(d) Excess Incentive Compensation: Amount Subject to Recovery.

The amount(s) to be recovered from the Covered Executive will be the amount(s) by which the Covered Executive’s Incentive Compensation for the relevant period(s) exceeded the amount(s) that the Covered Executive otherwise would have received had such Incentive Compensation been determined based on the restated amounts contained in the Accounting Restatement. All amounts shall be computed without regard to taxes paid.

For Incentive Compensation based on Financial Reporting Measures such as stock price or total shareholder return, where the amount of excess compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement, the Board will calculate the amount to be reimbursed based on a reasonable estimate of the effect of the Accounting Restatement on such Financial Reporting Measure upon which the Incentive Compensation was received. The Company will maintain documentation of that reasonable estimate and will provide such documentation to the applicable national securities exchange.

(e) Method of Recovery.

The Board will determine, in its sole discretion, the method(s) for recovering reasonably promptly excess Incentive Compensation hereunder, subject to applicable law. Such methods may include, without limitation, subject to applicable law:

- (i) requiring reimbursement of compensation previously paid;
- (ii) forfeiting any compensation contribution made under the Company’s deferred compensation plans, as well as any matching amounts and earnings thereon;
- (iii) offsetting the recovered amount from any compensation that the Covered Executive may earn or be awarded in the future (including, for the avoidance of doubt, recovering amounts earned or awarded in the future to such individual equal to compensation paid or deferred into tax-qualified plans or plans subject to the Employee Retirement Income Security Act of

1974 (collectively, “**Exempt Plans**”); *provided that*, no such recovery will be made from amounts held in any Exempt Plan of the Company);

- (iv) taking any other remedial and recovery action permitted by law, as determined by the Board; or
- (v) some combination of the foregoing.

5. No Indemnification or Advance.

Subject to applicable law, the Company shall not indemnify, including by paying or reimbursing for premiums for any insurance policy covering any potential losses, any Covered Executives against the loss of any erroneously awarded Incentive Compensation, nor shall the Company advance any costs or expenses to any Covered Executives in connection with any action to recover excess Incentive Compensation.

6. Interpretation.

The Board is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act and any applicable rules or standards adopted by the SEC or any national securities exchange on which the Company's securities are listed.

7. Effective Date.

The Board adopted this Policy on October 13, 2023. This Policy applies to Incentive Compensation received by Covered Executives on or after October 2, 2023 (the “**Effective Date**”) that results from attainment of a Financial Reporting Measure based on or derived from financial information for any fiscal period ending on or after the Effective Date. In addition, this Policy is intended to be and will be incorporated as an essential term and condition of any Incentive Compensation agreement, plan or program that the Company establishes or maintains on or after the Effective Date.

8. Amendment and Termination.

The Board may amend this Policy from time to time in its discretion, and shall amend this Policy as it deems necessary to reflect changes in regulations adopted by the SEC under Section 10D of the Exchange Act and to comply with any rules or standards adopted by the NYSE American or any other securities exchange on which the Company's shares are listed in the future.

9. Other Recovery Rights.

The Board intends that this Policy will be applied to the fullest extent of the law. Upon receipt of this Policy, each Covered Executive is required to complete the Receipt and Acknowledgement attached as Schedule A to this Policy. The Board may require that any employment agreement or similar agreement relating to Incentive Compensation received on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide

by the terms of this Policy. Any right of recovery under this Policy is in addition to, and not in lieu of, any (i) other remedies or rights of compensation recovery that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, or similar agreement relating to Incentive Compensation, unless any such agreement expressly prohibits such right of recovery, and (ii) any other legal remedies available to the Company. The provisions of this Policy are in addition to (and not in lieu of) any rights to repayment the Company may have under Section 304 of the Sarbanes-Oxley Act of 2002 and other applicable laws.

10. Impracticability.

The Company shall recover any excess Incentive Compensation in accordance with this Policy, except to the extent that certain conditions are met and the Board has determined that such recovery would be impracticable, all in accordance with Rule 10D-1 of the Exchange Act and the NYSE American or any other securities exchange on which the Company's shares are listed in the future.

11. Successors.

This Policy shall be binding upon and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

Schedule A

**INCENTIVE-BASED COMPENSATION CLAWBACK POLICY
RECEIPT AND ACKNOWLEDGEMENT**

I, _____, hereby acknowledge that I have received and read a copy of the Incentive Compensation Recovery Policy. As a condition of my receipt of any Incentive Compensation as defined in the Policy, I hereby agree to the terms of the Policy. I further agree that if recovery of excess Incentive Compensation is required pursuant to the Policy, the Company shall, to the fullest extent permitted by governing laws, require such recovery from me up to the amount by which the Incentive Compensation received by me, and amounts paid or payable pursuant or with respect thereto, constituted excess Incentive Compensation. If any such reimbursement, reduction, cancelation, forfeiture, repurchase, recoupment, offset against future grants or awards and/or other method of recovery does not fully satisfy the amount due, I agree to immediately pay the remaining unpaid balance to the Company.

Signature

Date