

Dear Valued Shareholders, Partners and Friends



Tony Giardini

*President & CEO,
Trilogy Metals Inc.*

Without Ambler Metals' incredible, hard-working, and loyal employees, the 2021 field program would not have been successful.

2021 was another pivotal year for the Company as it marked the resumption of in-the-field activities at the Upper Kobuk Mineral Projects ("UKMP"), including significant advancements at the Arctic Project – part of the UKMP. Despite the challenges of the Covid-19 pandemic, which resulted in the suspension of the 2020 field program, the team at Ambler Metals LLC ("Ambler Metals") – our 50/50 joint venture company with South32 Ltd. ("South32") – was able to complete the 2021 program in a safe and effective manner.

Without Ambler Metals' incredible, hard-working, and loyal employees, the 2021 field program would not have been successful. During the 2021 program, Ambler Metals employed on average approximately 70 people at site, of which approximately 50% were Alaskan Natives. Ambler Metals' Alaska Native employees are the backbone of the company, and their experiences, knowledge and culture are what drives our accomplishments.

I also want to acknowledge the Ambler Metals management team, led by Ramzi Fawaz, Kevin Torpy and Rebecca Donald, for their exceptional job in keeping everyone safe through the implementation and management of our Covid-19 safety program. During the summer field season, over 1,000 Covid-19 tests were administered for site travel, of which only one positive case was identified at camp on the very last day of the season. The Ambler Metals team is committed to the safety and well-being of its employees and will continue implementing rigorous safety protocols.



Ambler Access Project

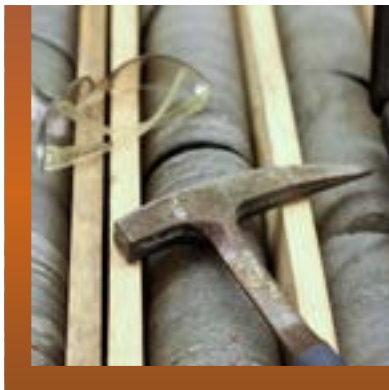
Throughout the last year, there has also been incredible progress in advancing the Ambler Access Project (“Ambler Access Project” or “AAP”), which is the proposed 211-mile (340-km) industrial-use-only road from the UKMP to the Dalton highway.

Recall that in 2020, our infrastructure partner – the Alaska Industrial Development and Export Authority (“AIDEA”) – received the Joint Record of Decision (“JROD”) from the United States Bureau of Land Management (“BLM”), and the Section 404 Permit from the United States Army Corps. of Engineers (“USACE”). These are the two key permits required for the road. As previously disclosed, lawsuits were filed shortly thereafter by a coalition of national and Alaska environmental non-government organizations in response to the BLM’s issuance of the JROD for the Ambler Access Project and the lawsuits are ongoing.

Subsequently, there have been several positive developments with the AAP starting with a funding agreement between AIDEA and Ambler Metals, in which both parties have each committed \$35 million towards the pre-development work on the AAP.

Also in early 2021, AIDEA signed agreements for Right-of-Ways for the AAP with the BLM and the National Parks Service. AIDEA also signed a land access agreement with Doyon, Limited, which is an Alaska Native regional corporation. This agreement allows AIDEA to carry out feasibility and permitting activities on Doyon land.

During the summer of 2021, AIDEA commenced formal field work on the proposed road. The budgeted \$13 million program involved cultural



2

Letter from the CEO
Trilogy Metals Inc



heritage work, aquatic habitat studies and geotechnical work. On February 4, 2022, AIDEA announced the approval of the 2022 program and budget for the AAP of \$30.8 million, of which \$15.4 million will be funded by AIDEA and \$15.4 million will be funded by Ambler Metals. During the 2022 field season, AIDEA will be carrying out additional work, including geotechnical studies, right-of-way surveys, environmental studies, road and bridge engineering design work, and cultural heritage work. Nearly 50 local jobs have been identified for the 2022 field season.

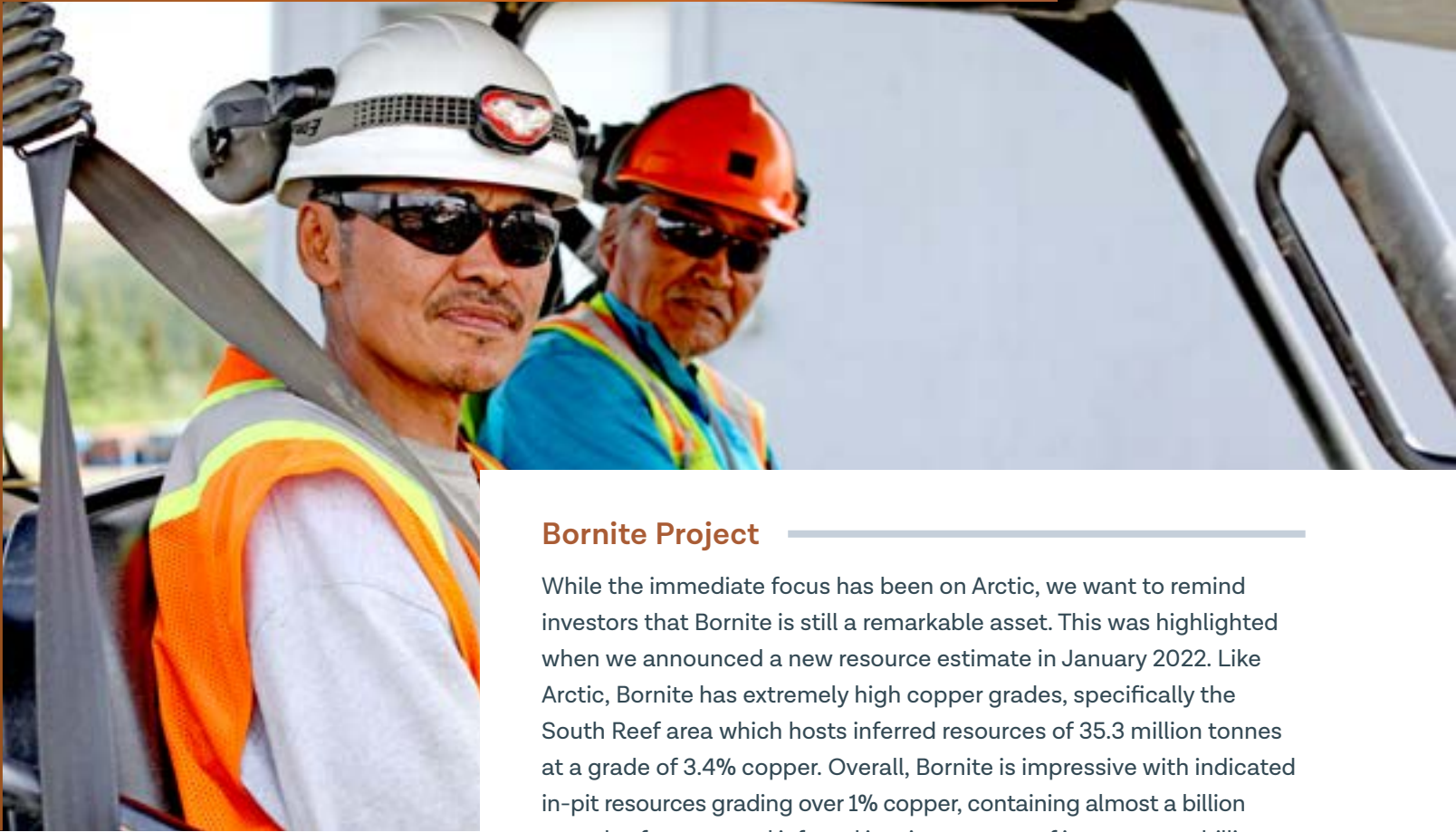


Arctic Project

Despite challenging weather and recruitment issues, we were still able to make tangible progress at the Arctic Project. During the summer drilling campaign, we drilled 18 drill holes totaling 4,131 meters. The goal of this program was to convert a portion of the mineral resources from the indicated category to the measured category and provide material for metallurgical testing and geotechnical information. So far, we have released the drilling results for six holes, all of which hosted significant intervals of high-grade mineralization. We are already planning for the 2022 field season which will encompass 10,000 meters of drilling, with three drills starting up in late spring.

Arctic Permitting

In the fall of 2021, Ambler Metals engaged Stantec to conduct a permitting preparedness review for the Arctic Project. After a thorough review, Stantec concluded that the permitting strategy is sound, and the permitting package can proceed with minor changes. Ambler Metals is now making the recommended changes to the permitting package and expects to file the permitting application, which will start the formal permitting process for the Arctic Project, with the United States Army Corps. of Engineers in 2022. We continue to anticipate that the permitting process will take 24 to 30 months.



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Bornite Project

While the immediate focus has been on Arctic, we want to remind investors that Bornite is still a remarkable asset. This was highlighted when we announced a new resource estimate in January 2022. Like Arctic, Bornite has extremely high copper grades, specifically the South Reef area which hosts inferred resources of 35.3 million tonnes at a grade of 3.4% copper. Overall, Bornite is impressive with indicated in-pit resources grading over 1% copper, containing almost a billion pounds of copper and inferred in-pit resources of just over two billion pounds of copper at a grade of almost 1% copper. We have passed along our findings to the Ambler Metals team who will look at how the Bornite Project fits into the overall development plan at the UKMP.

Going Forward

We are very excited about our prospects for 2022 as we move expeditiously towards the exploration and development of our assets at the UKMP. The joint venture partners have already approved a \$28.5 million budget for 2022, which will include approximately 10,000 meters of drilling at Arctic and the rest of the UKMP. We are also excited to finally be on the cusp of commencing permitting activities at Arctic, which we believe is one of the most high-quality copper assets in the world.

Ambler Metals will be recruiting over 60 direct hire positions for the 2022 field season, in addition to approximately 50 positions hired through contractors. As part of its workforce development plans, Ambler Metals will be kicking off several vocational training programs involving participants from the local NANA and Doyon regions.

We look forward to continuing what has been a productive 2021, and we thank you for being on this journey with us.

Sincerely,

Tony Giardini
President & CEO, Trilogy Metals Inc.



2020 ARCTIC FEASIBILITY STUDY

This letter references the feasibility study titled “Arctic Feasibility Study Alaska, USA NI 43-101 Technical Report” with an effective date of August 20, 2020, which was prepared on a 100% ownership basis, of which Trilogy’s share is 50%, and under National Instrument 43-101 standards by independent consultant, Ausenco Engineering Canada Inc. of Vancouver, Canada. A copy of the report is available at www.edgar.com, www.sedar.com and www.trilogymetals.com.

2021 BORNITE MINERAL RESOURCE UPDATE

This letter references the Bornite mineral resource report titled “NI 43-101 Technical Report on the Bornite Project, Northwest Alaska, USA” with an effective date of December 31, 2021 which was prepared under National Instrument 43-101 standards by independent consultants Robert Sim, P.Geo., SIM Geological Inc., Bruce M. Davis, FAusIMM and Jeff Austin, P.Eng., International Metallurgical & Environmental Inc.

Cautionary Note Regarding Forward-Looking Statements

This letter includes certain “forward-looking information” and “forward-looking statements” (collectively “forward-looking statements”) within the meaning of applicable Canadian and United States securities legislation including the United States Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included herein, including, without limitation, proposed advancement of the Ambler Road Project, planned activities at the UKMP, the outlook for 2022, the Company’s anticipated budget for corporate activities and the Company’s ability to fund its operations and the requirement for additional funding at Ambler Metals, resource and reserve estimates and the timing and amount of estimated future production and the net present value and internal rate of return at the Arctic Project, are forward-looking statements. Forward-looking statements are frequently, but not always, identified by words such as “expects”, “anticipates”, “believes”, “intends”, “estimates”, “potential”, “possible”, and similar expressions, or statements that events, conditions, or results “will”, “may”, “could”, or “should” occur or be achieved. Forward-looking statements involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company’s expectations include the uncertainties involving the outcome of pending litigation, success of exploration activities, permitting timelines, requirements for additional capital, risks pertaining to the outbreak of the coronavirus (COVID-19), government regulation of mining operations, environmental risks, prices for energy inputs, labour, materials, supplies and services, uncertainties involved in the interpretation of drilling results and geological tests, unexpected cost increases and other risks and uncertainties disclosed in the Company’s Annual Report on Form 10-K for the year ended November 30, 2021 filed with Canadian securities regulatory authorities and with the United States Securities and Exchange Commission and in other Company reports and documents filed with applicable securities regulatory authorities from time to time. The Company’s forward-looking statements reflect the beliefs, opinions and projections on the date the statements are made. The Company assumes no obligation to update the forward-looking statements or beliefs, opinions, projections, or other factors, should they change, except as required by law.

