

TRILOGY METALS INC.
(the “Company”)

AUDIT COMMITTEE TERMS OF REFERENCE

A. PURPOSE

The primary function of the Committee is to assist the Board of Directors of the Company (the “**Board**”) in fulfilling its oversight responsibilities, primarily through overseeing management’s conduct of the Company’s accounting and financial reporting process; assessing the performance of the Company’s internal accounting and financial controls; selecting, retaining and monitoring the independence, qualification and performance of the Company’s external auditor, including overseeing the integrity of the Company’s financial statements and approving any non-audit services; assisting with oversight of the Company’s compliance with legal and regulatory requirements; and providing an avenue of communication among the external auditor, management and the Board.

B. COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members and the Chair of the Committee (the “**Chair**”) for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
2. The Committee shall consist of at least three members of the Board all of whom shall be independent as determined in accordance with applicable securities laws, rules, regulations and guidelines (“Securities Laws”) and under Section 803 of the NYSE American LLC Company Guide.
3. No member of the Committee shall serve on more than two audit committees in addition to this Committee unless the member is a retired Certified Public Accountant, Chief Financial Officer, controller or has similar experience, in which case the limit shall be three additional committees.
4. A Director who previously served as Chief Executive Officer or Chief Financial Officer of the Company or its affiliates or of an acquired company within the past five years, other than in the capacity as Interim Chief Executive Officer or Interim Chief Financial Officer for a period of less than one year, within the past five years shall not serve on the Committee.
5. No member of the Committee may, other than in his or her capacity as a member of the Committee, the Board, or any other committee of the Board, accept directly or indirectly any consulting, advisory, or other “compensatory fee” (as such term is defined under applicable United States securities laws and stock exchange rules (collectively, the “U.S. Rules”)) from, or be an “affiliated person” (as such term is defined under applicable U.S. Rules) of, the Company or any subsidiary of the Company unless an exemption or exception under applicable U.S. Rules is available.
6. No member of the Committee shall have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years unless an exemption or exception under applicable U.S. Rules is available.
7. All Committee members shall be financially literate. For this purpose, financial literacy shall mean the ability of a member to read and understand a set of financial statements that present a breadth and level of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements. At

least one member should have accounting or related financial expertise such that the member satisfies the definition of an “audit committee financial expert” under applicable U.S. Rules.

8. If the Chair is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside at the meeting.
9. The Secretary of the Company shall be the secretary of the Committee, unless otherwise determined by the Committee.
10. The Committee shall meet at least quarterly on such dates and at such locations as may be determined by the Chair and may also meet at any other time or times on the call of the Chair, the external auditors or any two of the other members.
11. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other. The Committee may also act by unanimous written consent of its members.
12. The external auditors or any two members of the Board may request the Chair to call a meeting of the Committee and may attend at such meeting or inform the Committee of a specific matter of concern to such members of the Board, and may participate in such meeting.
13. Notice of the time and place of every meeting shall be given in writing or by e-mail or facsimile communication to each member of the Committee at least 48 hours prior to the time fixed for such meeting; provided, however, that a member may in any manner waive a notice of a meeting and attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.
14. The Chair shall develop the Committee's agenda, in consultation with the Chief Financial Officer and other members of management. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practical, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.
15. At the invitation of the Chair, one or more officers or employees of the Company may, and if required by the Committee shall, attend a meeting of the Committee. The external auditors shall receive notice of and have the right to attend all meetings of the Committee.
16. The Committee shall fix its own procedure at meetings, keep records of its proceedings and report to the Board when the Committee may deem appropriate (but not later than the next meeting of the Board).
17. The Committee, when it considers it necessary or advisable, may retain, at the Company's expense, independent counsel or other advisors to assist or advise the Committee independently on any matter within its mandate. The Committee shall have the sole authority to retain and terminate any such independent counsel or other advisors, including sole authority to approve the fees and other retention terms for such persons.
18. The external auditors shall report to the Committee directly. The external auditors shall have a direct line of communication to the Committee through the Chair and are ultimately accountable to the Board and the Committee.
19. The Committee, through its Chair, may contact directly the external auditors, the internal auditors, if any, and any employee of the Company as it deems necessary.

20. The Company must provide appropriate funding, as determined by the Committee, for payment of (i) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, (ii) compensation to any advisors employed by the Committee under paragraph 15, above, and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out the Committee's duties.
21. In discharging its responsibilities, the Committee shall have full access to all books, records, facilities and personnel of the Company, to the Company's legal counsel and to such other information respecting the Company as it considers necessary or advisable in order to perform its duties and responsibilities.
22. The Committee shall conduct an annual performance evaluation of the Committee and Terms of Reference.

C. ROLES AND RESPONSIBILITIES

The Committee's principal responsibility is one of oversight. The Company's management is responsible for preparing the Company's financial statements and ensuring their accuracy and completeness and the Company's external auditor is responsible for auditing and/or reviewing those financial statements. In carrying out its oversight responsibilities, the Committee is not required to provide any expert or special assurance as to the Company's financial statements or any professional certification as to the external auditor's work.

1. Overall Duties and Responsibilities

The overall duties and responsibilities of the Committee shall be as follows:

- a) to assist the Board in the discharge of its responsibilities relating to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's external auditors, or the performance of the internal controls.
- b) to assist the Board in the discharge of its responsibilities relating to compliance with disclosure requirements under applicable Securities Laws, including approval of the Company's annual and quarterly consolidated financial statements together with the Management's Discussion and Analysis filed with Canadian securities regulators and the disclosure under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" to be included in the Company's annual report on Form 10-K and quarterly report on Form 10-Q;
- c) to meet separately, periodically, with management, with internal auditors (or other personnel responsible for the internal audit function) and with external auditors;
- d) to establish and maintain a direct line of communication with the Company's external auditors and internal auditors (if any) and assess their performance;
- e) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal controls; and
- f) to report regularly to the Board on the fulfillment of its duties and responsibilities.

2. Public Filings, Policies and Procedures

The Committee is charged with the responsibility to:

- a) review and approve for recommendation to the Board:
 - i) the annual audited financial statements, with the report of the external auditors, the Management's Discussion and Analysis filed with Canadian securities regulators and disclosure under the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the impact of unusual items and changes in accounting policies and estimates to be included in the Company's annual report on Form 10-K and produce the audit committee report required to be included in the Company's management information circular and proxy statement;
 - ii) the unaudited interim financial statements and the Management's Discussion and Analysis filed with Canadian securities regulators and the disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations" to be included in the Company's quarterly report on Form 10-Q, and the impact of unusual items and changes in accounting policies and estimates;
 - iii) financial information in earnings press releases, annual information form, prospectuses; and
 - iv) financial information in other public reports and public filings requiring approval by the Board;

and report to the Board with respect thereto;
- b) ensure adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements and periodically assess those procedures;
- c) review with management and the external auditors:
 - i) significant variances in actual financial results for the interim period from budgeted or projected results;
 - ii) any actual or proposed changes in accounting or financial reporting practices;
 - iii) any significant or unusual events or transactions and the methods used to account for significant or unusual transactions where different approaches are possible;
 - iv) any actual or potential breaches of debt covenants;
 - v) the consistency of, and any changes to, accounting policies;
 - vi) whether the Company has followed appropriate accounting standards and made appropriate estimates and judgments;
 - vii) the presentation and impact of significant risks and uncertainties, including information security, artificial intelligence and cyber risks;
 - viii) the accuracy, completeness and clarity of disclosure in the Company's financial reports and the context in which statements are made;
 - ix) any tax assessments, changes in tax legislation or any other tax matters that could have a material effect upon the financial position or operating results of the Company and the

manner in which such matters have been disclosed in the consolidated financial statements;

- x) any litigation, claim or other contingency that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
 - xi) the Company's annual audited financial statements (including the related notes), the form of audit opinion to be issued by the auditors on the financial statements and the Management's Discussion and Analysis filed with Canadian securities regulators and the disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations" to be included in the Company's annual report on Form 10-K before the Form 10-K is filed;
 - xii) the Company's quarterly financial statements and the Management's Discussion and Analysis filed with Canadian securities regulators and the disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations" to be included in the Company's quarterly report on Form 10-Q before the Form 10-Q is filed;
 - xiii) material communications between the external auditor and management, such as any management letter or schedule of unadjusted differences;
 - xiv) with the external auditors any fraud, illegal acts, deficiencies in internal control or other similar issues; and
 - xv) general accounting trends and issues of auditing policy, standards and practices which affect or may affect the Company; and
- d) review with management and the external auditors any correspondence with securities regulators or other regulatory or government agencies which raise material issues regarding the Company's financial reporting or accounting policies.

3. **Internal Controls, Risk Management and Compliance**

The duties and responsibilities of the Committee as they relate to the internal control, risk management and compliance are to:

- a) evaluate whether management is setting the appropriate "control culture" by communicating the importance of internal controls and the management of risk and ensuring that all employees have an understanding of their roles and responsibilities;
- b) review the adequacy, appropriateness and effectiveness of the Company's policies and business practices which impact on the integrity, financial and otherwise, of the Company, including those relating to insurance, accounting, information services and systems and financial controls, management reporting, the Company's Code of Business Ethics and risk management;
- c) review compliance under the Company's Code of Business Ethics;
- d) review any issues between management and the external auditors that could affect the financial reporting or internal controls of the Company;
- e) periodically review the Company's accounting and auditing policies, practices and procedures and the extent to which recommendations made by the external auditors have been implemented;

- f) review annually the adequacy and quality of the Company's financial and accounting staff, including the need for and scope of internal audit reviews;
- g) review annually with the external auditor any significant matters regarding the Company's internal controls and procedures over financial reporting, including any significant deficiencies or material weaknesses in their design or operation, that have come to their attention during the conduct of their annual audit, and review whether internal control recommendations made by the auditor have been implemented by management;
- h) receive reports from management on assessment and management of financial risks, and review major financial risk exposures, including information security, artificial intelligence and cyber risks, and the guidelines and policies that management has put in place to govern the process of monitoring, controlling and reporting such exposures;
- i) review and recommend for approval by the Board the appointment of the Chief Financial Officer and review the appointment of any other key financial executives involved in the financial reporting process;
- j) establish procedures for:
 - i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls, or auditing matters; and
 - ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
 including, without limitation, a Whistleblower Policy;
- k) review any correspondence from regulators or government entities or other issues relating to compliance with laws or regulations that could have an impact on the Company's financial condition;
- l) receive a report from management on the Company's source deductions and other remittances under applicable tax or other legislation; and
- m) review and approve related party transactions.

4. **External Auditors**

The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:

- a) to be directly responsible for the appointment (subject to ratification by the shareholders of the Company), compensation, retention and oversight of the work of the external auditor and any other registered public accounting firm engaged (including resolution of disagreements between management and the external auditor or such public accounting firm regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company.
- b) the Committee shall oversee the selection process for new auditors and if an auditor resigns the Committee shall investigate the issues leading to such auditor's resignation and decide whether any action is required;
- c) to oversee the relationship with the external auditor, including, without limitation:

- i) to (i) approve their terms of engagement for the annual audit and related fees, (ii) review any engagement letter issued at the start of each audit and review the scope of the audit; and (iii) to assess fees for audit or non-audit services and ensure that the level of fees is appropriate to enable an adequate audit to be conducted;
 - ii) to approve the engagement of the external auditor for interim reviews and their remuneration for the interim reviews;
 - iii) to assess annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the external auditor as a whole, including the provision of any non-audit services;
 - iv) to satisfy itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Company (other than in the ordinary course of business);
 - v) to review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and any former external auditor of the Company;
 - vi) to monitor the external auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements; and
 - vii) to assess annually their qualifications, expertise and resources and the effectiveness of the audit process by obtaining and reviewing a report by the external auditor describing: the external auditor's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the external auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditor, and any steps taken to deal with any such issues; and all relationships between the external auditor and the Company.
- d) to review with the external auditors, upon completion of their audit and interim reviews:
- i) the contents of their report;
 - ii) the scope and quality of the audit work performed;
 - iii) the adequacy of the Company's financial and auditing personnel;
 - iv) the co-operation received from the Company's personnel during the audit;
 - v) the internal resources used;
 - vi) any significant transactions outside of the normal business of the Company;
 - vii) any significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles and management systems;
 - viii) the quality, acceptability and integrity of the Company's accounting policies and principles;
 - ix) the non-audit services provided by the external auditors;

- x) the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements; and
- xi) the management letter and management's response to the external auditor's findings and recommendations.

and report to the Board in respect of the foregoing and on such other matters as they consider necessary;

- e) to implement structures and procedures to ensure that the Committee meets with the external auditors on a regular basis in the absence of management in order to review any difficulties encountered by the external auditors in carrying out the audit and to resolve disagreements between the external auditors and management; and
- f) to pre-approve the retention of the external auditor for any non-audit service and the fee for such service.

The Committee may satisfy the pre-approval requirement in subsection (f) if:

- i) the aggregate amount of all the non-audit services that were not pre-approved constitutes no more than five per cent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the services are provided;
- ii) the services were not recognized by the Company at the time of the engagement to be non-audit services; and
- iii) the services are promptly brought to the attention of the Committee and are approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more independent members the authority to pre-approve non-audit services provided that the pre-approval of non-audit services by any member to whom authority has been delegated must be presented to the full Committee at its first scheduled meeting following such pre-approval.

Approved: February 27, 2012

Amended and restated: October 23, 2012, with effect from December 1, 2012

Amended and restated: December 15, 2016

Amended and restated: December 19, 2019

Amended and restated: October 2, 2025

APPENDIX A

AUDIT COMMITTEE CALENDAR OF ACTIVITIES

Agenda Item	Q1	Q2	Q3	Q4
Approve minutes of last meeting	X	X	X	X
Public Filings, Policies and Procedures				
Receive a report on: <ul style="list-style-type: none"> • results for the applicable period with variances from budget and projections • critical accounting policies, significant estimates, alternative treatments of financial information and material communication between management and external auditor • any changes in accounting policies, trends or practises or financial reporting requirements that may affect the financial statements • the (i) tax assessments, changes or other tax issues; and (ii) any material pending or threatened litigation, claims and assessments that could have a material impact on the Company's financial position • presentation, impact of or changes to significant risks and uncertainties • any actual or potential breaches of debt covenants 	X	X	X	X
Review issues relating to and accounting for: <ul style="list-style-type: none"> • asset retirement obligations • derivatives (including options) • inventory valuation • impairments 	X	X	X	X
Review any correspondence from securities regulators or other agencies regarding financial reporting or accounting policies	X	X	X	X
Review financial statement certification process and disclosure controls and procedures.	X	X	X	X
Review the annual financial statements and the auditor's report thereon and related MD&A and press release and recommend approval of such documents to the Board.	X			

Agenda Item	Q1	Q2	Q3	Q4
Review the annual information form and annual report on Form 10-K and other annual public information documents and produce the audit committee report required to be included in the Company's management information circular	X			
Review interim financial statements and MD&A and the auditor's report thereon and recommend approval of the interim financial statements and MD&A to the Board.		X	X	X
Internal Controls and Risk Management Systems				
Review any reports under the Whistleblowing Policy	X	X	X	X
Review any new appointments to senior positions with financial reporting responsibilities.	X	X	X	X
Review adequacy of financial and accounting staff	X	X	X	X
Review hedging and credit programs and policies	X	X	X	X
Review external auditor's significant audit findings and management's responses to suggestions made	X			
Obtain assurance from the external auditor regarding the overall control environment and the adequacy of accounting system controls.	X			
Receive report on risk assessment and risk management		X		
Review insurance programs		X		
Review compliance under the Code of Business Ethics				X
External Auditors				
Receive report on audit/interim reviews from external auditor	X	X	X	X
Discuss in private with the external auditor matters affecting the conduct of their audit, interim reviews and other corporate matters.	X	X	X	X
Review and approve engagement of the external auditor for non-audit services.	X	X	X	X

Agenda Item	Q1	Q2	Q3	Q4
Approve the engagement of the external auditor for the interim reviews and related fees	X			
Approve the appointment of the external auditor for approval by the shareholders (subject to ratification by the shareholders of the Company)	X			
Assess independence of external auditor. Ensure rotation of lead or coordinating audit partner having primary responsibility for the audit as required by law.	X			
Review the audit plan with the external auditor and recommend the audit fees for approval by the Board				X
Governance Matters				
Review key finance policies, as required.	X	X	X	X
Review Audit Committee Terms of Reference.				X
Compliance with Laws and Regulations				
Review any instances of fraud or illegal activities	X	X	X	X
Receive report on source deductions and other remittances	X	X	X	X
Review any compliance issues that could impact financial statements	X	X	X	X