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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Quarterly Period Ended May 31, 2025

OR

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

For the Transition Period from to

Commission File Number: 1-35447

TRILOGY METALS INC.
(Exact Name of Registrant as Specified in Its Charter)

British Columbia (State or Other Jurisdiction of Incorporation or Organization)	**98-1006991** (I.R.S. Employer Identification No.)
Suite 901, 510 Burrard Street **Vancouver, British Columbia** **Canada** (Address of Principal Executive Offices)	**V6C 3A8** (Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares	TMQ	NYSE American Toronto Stock Exchange

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 (§ 232.405 of this chapter) 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 an 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 10, 2025, the registrant had 164,241,410 common shares, no par value, outstanding.

Trilogy Metals Inc.
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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Trilogy Metals Inc.
Condensed Interim Consolidated Balance Sheets
(unaudited)

in thousands of US dollars

	May 31, 2025 $	November 30, 2024 $
Assets		
Current assets		
Cash and cash equivalents	24,616	25,834
Accounts receivable	20	16
Deposits and prepaid amounts	59	195
Total current assets	24,695	26,045
Investment in Ambler Metals LLC (note 3)	106,152	107,497
Right of use asset (note 5(a))	136	155
Total assets	**130,983**	**133,697**
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 4)	835	756
Current portion of lease liability (note 5b)	39	37
Total current liabilities	874	793
Long-term portion of lease liability (note 5(b))	93	110
Total liabilities	967	903
Shareholders' equity		
Share capital (note 6) – unlimited common shares authorized, no par value issued – 164,241,410 (2024 – 161,085,313)	192,866	190,503
Contributed surplus	118	118
Contributed surplus – options (note 6(a))	29,576	28,801
Contributed surplus – units (note 6(b))	3,656	3,772
Deficit	(96,200)	(90,400)
Total shareholders' equity	130,016	132,794
Total liabilities and shareholders' equity	**130,983**	**133,697**

Subsequent Events (note 10)

(See accompanying notes to the condensed interim consolidated financial statements)

/s/ Tony Giardini, President, CEO and Director

/s/ Diana Walters, Director

Approved on behalf of the Board of Directors

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Trilogy Metals Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(unaudited)

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

	For the three months ended		For the six months ended	
	May 31, 2025 $	May 31, 2024 $	May 31, 2025 $	May 31, 2024 $
Expenses				
Amortization	—	2	—	3
Foreign exchange (gain) loss	—	(1)	(11)	1
General and administrative	353	319	696	734
Investor relations	18	19	34	31
Professional fees	612	192	1,059	392
Salaries	316	178	523	369
Salaries and directors expense – stock-based compensation	367	509	2,597	2,508
Total expenses	1,666	1,218	4,898	4,038
Other items				
Interest and other income	(248)	(46)	(430)	(48)
Services agreement income	(5)	(15)	(13)	(25)
Share of loss on equity investment (note 3(b))	764	602	1,345	1,395
Loss and comprehensive loss for the period	**(2,177)**	**(1,759)**	**(5,800)**	**(5,360)**
Basic loss per common share	**(0.01)**	**(0.01)**	**(0.04)**	**(0.03)**
Diluted loss per common share	**(0.01)**	**(0.01)**	**(0.04)**	**(0.03)**
Basic weighted average number of common shares outstanding	**164,199,342**	**160,168,185**	**163,523,974**	**158,925,539**
Diluted weighted average number of common shares outstanding	**164,199,342**	**160,168,185**	**163,523,974**	**158,925,539**

(See accompanying notes to the condensed interim consolidated financial statements)

Trilogy Metals Inc.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (unaudited)

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 – November 30, 2023	**155,925,990**	**187,886**	**118**	**28,237**	**3,127**	**(81,813)**	**137,555**
Restricted Share Units	3,633,065	1,804	—	—	(1,804)	—	—
Joint venture contribution	143,507	112	—	—	—	—	112
Services settled by common shares	64,368	30	—	—	—	—	30
Stock-based compensation	—	—	—	318	1,681	—	1,999
Loss for the period	—	—	—	—	—	(3,601)	(3,601)
Balance – February 29, 2024	**159,766,930**	**189,832**	**118**	**28,555**	**3,004**	**(85,414)**	**136,095**
Restricted Share Units	353,347	155	—	—	(155)	—	—
Services settled by common shares	66,511	30	—	—	—	—	30
Stock-based compensation	—	—	—	92	417	—	509
Loss for the period	—	—	—	—	—	(1,759)	(1,759)
Balance – May 31, 2024	**160,186,788**	**190,017**	**118**	**28,647**	**3,266**	**(87,173)**	**134,875**
Balance – November 30, 2024	**161,085,313**	**190,503**	**118**	**28,801**	**3,772**	**(90,400)**	**132,794**
Exercise of options	263,333	195	—	(64)	—		131
Restricted Share Units	2,647,945	1,863	—	—	(1,863)	—	—
Services settled by common shares	24,260	30	—	—	—	—	30
Stock-based compensation	—	—	—	738	1,520	—	2,258
Loss for the period	—	—	—	—	—	(3,623)	(3,623)
Balance – February 28, 2025	**164,020,851**	**192,591**	**118**	**29,475**	**3,429**	**(94,023)**	**131,590**
Exercise of options	86,667	110	—	(39)	—	—	71
Restricted Share Units	119,906	145	—	—	(145)	—	—
Services settled by common shares	13,986	20	—	—	—	—	20
Stock-based compensation	—	—	—	140	372	—	512
Loss for the period	—	—	—	—	—	(2,177)	(2,177)
Balance – May 31, 2025	**164,241,410**	**192,866**	**118**	**29,576**	**3,656**	**(96,200)**	**130,016**

(See accompanying notes to the condensed interim consolidated financial statements)

Trilogy Metals Inc.
Condensed Interim Consolidated Statements of Cash Flows
(unaudited)

in thousands of US dollars
For the six months ended

	May 31, 2025 $	May 31, 2024 $
Cash flows used in operating activities		
Loss for the period	(5,800)	(5,360)
Adjustments to reconcile net loss to cash flows used in operating activities		
Amortization	—	3
Consulting fees settled by common shares	30	60
Office lease accounting	2	64
Loss on equity investment in Ambler Metals LLC	1,345	1,395
Unrealized foreign exchange gain	(3)	(1)
Stock-based compensation	2,597	2,508
Net change in non-cash working capital		
(Increase) Decrease in accounts receivable	(4)	18
Decrease in deposits and prepaid amounts	136	213
Increase in accounts payable and accrued liabilities	272	31
Total cash flows used in operating activities	**(1,425)**	**(1,069)**
Cash flows from financing activities		
Proceeds from exercise of options	202	—
Total cash flows from financing activities	**202**	**—**
Cash flows from investing activities		
Return of capital from Ambler Metals LLC	—	12,500
Total cash flows from investing activities	**—**	**12,500**
Change in cash	(1,223)	11,431
Effect of exchange rate on cash	5	1
Cash – beginning of the year	25,834	2,590
Cash – end of the period	**24,616**	**14,022**

(See accompanying notes to the condensed interim consolidated financial statements)

Trilogy Metals Inc.
Notes to the Condensed Interim Consolidated Financial Statements

1) Nature of operations

Trilogy Metals Inc. ("Trilogy" or the "Company") was incorporated in British Columbia, Canada under the *Business Corporations Act (British Columbia)* on April 27, 2011. The Company is engaged in the exploration and development of mineral properties, through our equity investee (see 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"). The Company also conducts early-stage exploration through a wholly owned subsidiary, 995 Exploration Inc.

2) Summary of significant accounting policies

Basis of presentation

These condensed interim 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 condensed interim consolidated financial statements include all adjustments necessary for the fair statement of the Company's financial position as of May 31, 2025 and our results of operations and cash flows for the six-month periods ended May 31, 2025 and May 31, 2024. The results of operations for the six-month period ended May 31, 2025 are not necessarily indicative of the results to be expected for the fiscal year ending November 30, 2025.

As these condensed interim consolidated financial statements do not contain all of the disclosures required by U.S. GAAP for annual financial statements, these condensed interim consolidated financial statements should be read in conjunction with the annual financial statements and related notes included in our Annual Report on Form 10-K for the fiscal year ended November 30, 2024, filed with the U.S. Securities and Exchange Commission ("SEC") and Canadian securities regulatory authorities on February 14, 2025.

These condensed interim consolidated financial statements were approved by the Company's Audit Committee on behalf of the Board of Directors for issue on July 9, 2025.

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 estimates include the measurement of income taxes and the valuation of stock-based compensation. Actual results could differ materially from those reported.

Management assesses the possibility of impairment in the carrying value of its equity method investment in Ambler Metals LLC ("Ambler Metals") whenever events or circumstances indicate that the carrying amount of the investment may not be recoverable. Ambler Metals is a non-publicly traded equity investment owning exploration and development projects. Significant judgments are made in assessing the possibility of impairment. The Company assesses whether there has been a potential triggering event for other-than-temporary impairment by assessing the underlying assets of Ambler Metals for recoverability and assessing whether there has been a change in the development plan or strategy for the projects. If the Company concludes there is sufficient evidence for an other-than-temporary impairment, an assessment of fair value is performed. If the underlying assets are not recoverable, the Company will record an impairment charge equal to the difference between the carrying amount of the equity investment and its fair value. This assessment is subjective and requires consideration at each period end.

New accounting pronouncements

Updates to Reportable Segment Disclosures

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07 "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures". AUS 2023-07 expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss and interim disclosures of a reportable segment's profit or loss and assets. The standard is effective for the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 2025, and subsequent interim periods, with early adoption permitted. The Company is evaluating the impact of the guidance on the consolidated financial statements.

Updates to Income Tax Disclosure

In December 2023, the FASB issued ASU 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." ASU 2023-09 enhances the transparency and decision usefulness of income tax disclosures through changes to the rate reconciliation and income taxes paid information. The standard is effective beginning with the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 2026, and subsequent interim periods, with early adoption permitted. The Company is evaluating the impact of the guidance on the consolidated financial statements.

3) Investment in Ambler Metals LLC

(a) Formation of Ambler Metals LLC

On February 11, 2020, the Company completed the formation of a 50/50 joint venture named Ambler Metals LLC ("Ambler Metals") with South32 Limited ("South32"). As part of the formation of the joint venture, Trilogy contributed all its assets associated with the UKMP, including the Arctic and Bornite Projects, while South32 contributed cash of $145.0 million, resulting in each party's subsidiaries directly owning a 50% interest in Ambler Metals.

Ambler Metals is a company jointly controlled by Trilogy and South32 through a four-member board, of which two members are appointed by Trilogy based on its 50% equity interest. All significant decisions related to the UKMP require the approval of both companies. We determined that Ambler Metals is a VIE because it is expected to need additional funding from its owners for its significant activities. However, we concluded that we are not the primary beneficiary of Ambler Metals as the power to direct its activities, through its board, is shared under the Ambler Metals LLC limited liability company agreement. As we have significant influence over Ambler Metals through our representation on its board, we use the equity method of accounting for our investment in Ambler Metals. Our maximum exposure to loss in this entity is limited to the carrying amount of our investment in Ambler Metals, which, as of May 31, 2025, totaled $106.2 million (2024 - $121.2 million).

(b) Carrying value of equity method investment

Trilogy recognized, based on its 50% ownership interest in Ambler Metals, an equity loss equivalent to its pro rata share of Ambler Metals' comprehensive loss of $0.8 million for the three-month period ending May 31, 2025 (2024 - $0.6 million) and $1.3 million for the six-month period ending May 31, 2025 (2024 - $1.4 million). The carrying value of Trilogy's 50% investment in Ambler Metals as at May 31, 2025 is summarized on the following table.

in thousands of dollars

	$
November 30, 2024, Investment in Ambler Metals	**107,497**
Share of loss on equity investment for the six-month period ending May 31, 2025	(1,345)
May 31, 2025, Investment in Ambler Metals	**106,152**

(c) Related party transactions

During the six-month period ended May 31, 2025, the Company charged $13,000 (2024 - $25,000) related to administrative and accounting services in connection with a service agreement between the Company and Ambler Metals. In addition, the Company received payments of $92,200 (2024 - $52,000) related to operating expenses paid on behalf of Ambler Metals pursuant to the service agreement.

4) Accounts payable and accrued liabilities

in thousands of dollars

	May 31, 2025 $	November 30, 2024 $
Trade accounts payable	249	196
Accrued liabilities	477	62
Accrued salaries and vacation	109	498
Accounts payable and accrued liabilities	**835**	**756**

5) Leases

(a) Right-of-use asset

in thousands of dollars

	$
Balance as at November 30, 2024	**155**
Net amortization	(19)
Balance as at May 31, 2025	**136**

(b) Lease liabilities

The Company's lease arrangement consists of an operating lease for the corporate office. On July 1, 2024, the Company entered into a four-year lease for office space expiring in June 2028. The lease has no extension option. The current monthly lease payment is approximately CDN$9,500 consisting of both base rent and variable operating costs.

Total lease expense recorded within general and administrative expenses was comprised of the following components:

in thousands of dollars

	Six months ended May 31, 2025 $	Six months ended May 31, 2024 $
Operating lease costs	25	97
Variable lease costs	5	95
Total lease expense	**30**	**192**

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. For the six-month period ended May 31, 2025, variable lease costs have been reduced by a refund received for adjusted operating costs.

As at May 31, 2025, the weighted-average remaining lease payment term is 2.9 years and the weighted-average discount rate is 9%. Significant judgment was used in the determination of the incremental borrowing rate which included estimating the Company's credit rating.

Supplemental cash flow information relating to our leases during the six-month period ending May 31, 2025 is as follows:

- Cash paid for base rent included in the measurement of lease liabilities was $23,597

Future minimum payments relating to the lease recognized in our balance sheet as of May 31, 2025 are as follows:

in thousands of dollars

Fiscal year	May 31, 2025 $
2025	25
2026	50
2027	50
2028	25
2029	—
Total undiscounted lease payments	150
Effect of discounting	(18)
Present value of lease payments recognized as lease liability	**132**
Less: current portion of lease liability	(39)
Long-term portion of lease liability	93

6) Share capital

Authorized:
unlimited common shares, no par value

in thousands of dollars, except share amounts

	Number of shares	Ascribed value $
November 30, 2024	**161,085,313**	**190,503**
Exercise of options	350,000	305
Shares issued from Restricted Share Units	2,767,851	2,008
Services settled by common shares	38,246	50
May 31, 2025, issued and outstanding	**164,241,410**	**192,866**

The Company filed a final short form base shelf prospectus with the securities commissions in each of the provinces and territories of Canada (the “Canadian Base Shelf Prospectus”), and a corresponding shelf registration statement on Form S-3 (the “Registration Statement” together with the Canadian Base Shelf Prospectus, the “Base Shelf Prospectus”) with the United States Securities and Exchange Commission (“SEC”) allowing for the future issuance, from time to time, of up to US$50 million in common shares of the Company (the “Common Shares”), warrants to purchase Common Shares, share purchase contracts of the Company, subscription receipts and units comprised of some or all of the foregoing securities (collectively, the “Securities”). Any amounts, prices and terms will be determined based on market conditions at the time of an offering and will be set out in an accompanying prospectus supplement. The final Base Shelf Prospectus became effective on April 14, 2025. The Canadian Base Shelf Prospectus will remain effective for 25 months, while the Registration Statement will remain effective for three years.

On May 27, 2025, the Company entered into an equity distribution agreement (the “Distribution Agreement”) with BMO Nesbitt Burns Inc., Cantor Fitzgerald Canada Corporation (the “Canadian Agents”), BMO Capital Markets Corp. and Cantor Fitzgerald & Co. (the “U.S. Agents” together with the Canadian Agents, the “Agents”) for an at-the-market equity program (“ATM Program”) to distribute up to US$25 million of Common Shares of the Company. As of May 31, 2025, the Company has not utilized the ATM Program.

(a) Stock options

During the three-month period ended February 28, 2025, the Company granted 2,125,000 stock options (2024 - 2,775,000 stock options) at an exercise price of CDN$1.52 (2024 - CDN$0.59) to employees, consultants and directors exercisable for a period of five years with various vesting terms from immediate vesting to vesting over a two-year period. The fair value attributable to each of these option grants was $0.59 (2024 - $0.20). No grants were made during the respective three-month period ended May 31, 2025 and 2024.

For the six-month period ended May 31, 2025, Trilogy recognized a stock-based compensation charge of $0.9 million (2024 - $0.4 million) for stock options granted to directors, employees and service providers, net of estimated forfeitures.

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

Assumptions used in the pricing model for options granted in the six-month period ended May 31, 2025 are as provided below.

	May 31, 2025
Risk-free interest rates	2.85%
Exercise price	CDN$1.52
Expected life	3 years
Expected volatility	89.3%
Expected dividends	Nil

As at May 31, 2025, there were 1,925,004 non-vested stock options outstanding with a weighted average exercise price of CDN$1.12. The unvested stock option expense not yet recognized was $0.4 million. This expense is expected to be recognized over the next nineteen months.

A summary of the Company's stock options outstanding and changes during the six-month period ended May 31, 2025 is as follows:

	May 31, 2025	
	Number of options	Weighted average exercise price CDN$
Balance – beginning of the year	13,630,234	1.77
Granted	2,125,000	1.52
Exercised	(350,000)	0.82
Expired	(3,390,000)	2.75
Balance – end of the period	**12,015,234**	**1.48**

During the six-month period ended May 31, 2025, the Company issued 350,000 common shares (2024 – nil) of the Company on the exercise of stock options with a weighted average price of CDN$0.82 per share. The Company also reclassified $0.1 million from reserves to share capital on exercise of these stock options.

The following table summarizes information about the stock options outstanding at May 31, 2025.

	Outstanding			Exercisable		Unvested
Range of exercise price - CDN	Number of outstanding options	Weighted average years to expiry	Weighted average exercise price CDN$	Number of exercisable options	Weighted average exercise price CDN$	Number of unvested options
$0.59 to $1.00	5,513,334	3.00	0.69	4,688,331	0.71	825,003
$1.01 to $2.00	2,080,000	4.52	1.52	979,999	1.52	1,100,001
$2.01 to $3.00	4,421,900	0.82	2.44	4,421,900	2.44	—
	12,015,234	**2.46**	**1.48**	**10,090,230**	**2.15**	**1,925,004**

The aggregate intrinsic value of vested stock options (the market value less the exercise price) at May 31, 2025 was $4.0 million (2024 - $Nil) and the aggregate intrinsic value of exercised stock options for the six-month period ending May 31, 2025 was $0.3 million (2024 - $Nil).

(b) Restricted Share Units and Deferred Share Units

The Company has a Restricted Share Unit Plan ("RSU Plan") to provide long-term incentives to employees and consultants, a Non-Executive Director Deferred Share Unit Plan ("DSU Plan"), and a Non-Executive Directors Fixed Deferred Share Unit Plan ("Fixed DSU Plan") to offset cash payments for fees to directors. Awards under the RSU Plan, DSU Plan and Fixed DSU Plan will be settled in common shares of the Company with each restricted share unit ("RSU") and deferred share unit ("DSU") entitling the holder to receive one common share of the Company. All units are accounted for as equity-settled awards.

A summary of the Company's unit plans and changes during the six-month period ending May 31, 2025 is as follows:

	Number of RSUs	Number of DSUs	Number of Fixed DSUs
Balance – beginning of the year	2,793,339	3,133,412	—
Granted	1,811,096	72,943	237,533
Settled in common shares	(2,806,097)	—	—
Balance – end of the period	**1,798,338**	**3,206,355**	**237,533**

For the six-month period ending May 31, 2025, Trilogy recognized a combined RSU and DSU stock-based compensation charge of $1.4 million (2024 - $1.6 million), net of estimated forfeitures.

7) 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's financial instruments consist of cash and cash equivalents, accounts receivable, deposits, and accounts payable and accrued liabilities. The fair value of the Company's financial instruments approximates their carrying value due to the short-term nature of their maturity. The Company's financial instruments initially measured at fair value and then held at amortized cost include cash and cash equivalents, accounts receivable, deposits, and accounts payable and accrued liabilities. The majority of the Company's cash and cash equivalents is held with a single Canadian Financial Institution and is uninsured as at May 31, 2025.

The carrying amount of the Company's financial instruments, including cash and cash equivalents, accounts receivable, accrued expenses and accounts payable approximate fair value due to the short-term nature of these instruments.

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8) Commitment

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

9) Supplemental cash flow information

in thousands of dollars

	Six months ended May 31, 2025 $	Six months ended May 31, 2024 $
Interest received	433	48

10) Subsequent events

On June 2, 2025, pursuant to previous elections, the Board of Directors were granted 67,073 DSUs in settlement of approximately $82,000 of director fees.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Trilogy Metals Inc.
Management's Discussion & Analysis
For the Quarter Ended May 31, 2025
(expressed in US dollars)

Cautionary notes

Forward-looking statements

This Management's Discussion and Analysis ("MD&A") 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; the aggregate value of common shares that may be issued pursuant to the at-the-market equity offering program and the anticipated use of net proceeds; 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 (the "UKMP", as defined below), sufficiency of the Ambler Metals' cash to fund the UKMP, market prices for precious and base metals, statements regarding the Ambler Access Project (also known as the Ambler Mining District Industrial Access Project, "AMDIAP"), or other statements that are not statements of fact. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Statements concerning mineral resource estimates may also be deemed to constitute "forward-looking statements" to the extent that they involve estimates of the mineralization that will be encountered if the property is developed.

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

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

- *our ability to achieve production at the UKMP;*
- *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 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 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;*
- *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, 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, diluting voting power and reducing future earnings per share;*
- *risks related to the voting power of our major shareholders and the impact that a sale by such shareholders may have on our share price;*
- *uncertainty as to the volatility in the price of the Company's common shares;*
- *the Company's expectation of not paying cash dividends;*
- *adverse federal income tax consequences for U.S. shareholders should the Company be a passive foreign investment company;*
- *risks related to global climate change;*
- *risks related to adverse publicity from non-governmental organizations;*

- *changes in U.S. laws and policies regulating international trade, including currently imposed and any future potential tariffs;*
- *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 Stock Exchange ("NYSE American"), the Toronto Stock Exchange ("TSX"), and the Financial Accounting Standards Boards("FASB"), and more specifically, our efforts to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act;*
- *the need for future financing;*
- *risks related to the sales by existing shareholders;*
- *risks related to the possible utilization of the ATM Program;*
- *loss of the entire investment;*
- *risks related to the Company's use of proceeds from the sale of its securities;*
- *risks associated with negative operating cash flow;*
- *the uncertainty of maintaining a liquid trading market for the common shares; and*
- *the absence of a public market for certain of the securities.*

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 for the fiscal year ended November 30, 2024, filed with the Canadian securities regulatory authorities and the SEC on February 14, 2025, 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.

General

This Management's Discussion and Analysis ("MD&A") of Trilogy Metals Inc. ("Trilogy", "Trilogy Metals", "the Company" or "we") is dated July 10, 2025 and provides an analysis of our unaudited condensed interim consolidated financial results for the quarter ended May 31, 2025 compared to the quarter ended May 31, 2024.

The following information should be read in conjunction with our May 31, 2025 unaudited condensed interim consolidated financial statements and related notes which were prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP"). The MD&A should also be read in conjunction with our audited consolidated financial statements and related notes for the year ended November 30, 2024. 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 "CDN$" are to the currency of Canada and references to "U.S. dollars", "$" or "US$" are to the currency of the United States.

Richard Gosse, P.Geo., Vice President, Exploration of the Company, is a Qualified Person under National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") and S-K 1300, and has approved the scientific and technical information in this MD&A.

Trilogy's shares are listed on the TSX and the NYSE American under the symbol "TMQ". Additional information related to Trilogy, including our annual report on Form 10-K for the fiscal year ended November 30, 2024, 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"). The UKMP were contributed into a 50/50 joint venture named Ambler Metals LLC ("Ambler Metals") between Trilogy and South32 Limited ("South32") on February 11, 2020 (see below). The projects contributed to Ambler Metals consist of: i) the Ambler lands which host the Arctic copper-zinc-lead-gold-silver project (the "Arctic Project"); and ii) the Bornite lands being explored under a collaborative long-term agreement with NANA Regional Corporation, Inc., a regional Alaska Native Corporation, which hosts the Bornite carbonate-hosted copper project (the "Bornite Project") and related assets. The Company may also conduct early-stage exploration through a wholly owned subsidiary, 995 Exploration Inc.

Corporate and project activities

Annual General Meeting

The Annual General Meeting of shareholders was held on May 13, 2025. All directors nominated by the Company were elected by shareholders of the Company, with each director receiving greater than 94% of the votes cast. The shareholders also voted in favour of all other items of business including the continuation of the Company's Restricted Share Unit Plan and Deferred Share Unit Plan.

Base Shelf Prospectus

The Company filed a final short form base shelf prospectus base shelf prospectus with the securities commissions in each of the provinces and territories of Canada (the "Canadian Base Shelf Prospectus"), and a corresponding shelf registration statement on Form S-3 (the "Registration Statement" together with the Canadian Base Shelf Prospectus, the "Base Shelf Prospectus") with the United States Securities and Exchange Commission ("SEC") allowing for the future issuance, from time to time, of up to US$50 million in common shares of the Company (the "Common Shares"), warrants to purchase Common Shares, share purchase contracts of the Company, subscription receipts and units comprised of some or all of the foregoing securities (collectively, the "Securities"). Any amounts, prices and terms will be determined based on market conditions at the time of an offering and will be set out in an accompanying prospectus supplement. The final Base Shelf Prospectus became effective on April 14, 2025. The Canadian Base Shelf Prospectus will remain effective for 25 months, while the Registration Statement will remain effective for three years.

At-The-Market Offering

On May 27, 2025, the Company entered into an equity distribution agreement (the "Distribution Agreement") with BMO Nesbitt Burns Inc., Cantor Fitzgerald Canada Corporation (the "Canadian Agents"), BMO Capital Markets Corp. and Cantor Fitzgerald & Co. (the "U.S. Agents" together with the Canadian Agents, the "Agents") for an at-the-market equity program ("ATM Program"). On the same date, the Company filed a prospectus supplement (the "Prospectus Supplement") to the Canadian Base Shelf Prospectus and the US shelf registration statement on Form S-3 qualifying the distribution of the

Common Shares under the ATM Program. Under the ATM Program and pursuant to the Distribution Agreement and the Prospectus Supplement, the Company may sell up to US$25 million of Common Shares. The Common Shares sold under the ATM Program, if any, will be sold at the prevailing market price at the time of sale. The net proceeds of any such sales under the ATM Program are anticipated to be used for continued development of the UKMP and for general corporate purposes.

Bornite Preliminary Economic Assessment

On January 15, 2025, the Company announced the positive results of its Preliminary Economic Assessment Study ("Bornite PEA") for the Bornite copper project. Highlights of the Bornite PEA include the following:

- 1.9 billion pounds of copper over 17-year mine life;
- Potential to extend mine activity for the Upper Kobuk Mineral Projects to over 30 years;
- Pre-tax net present value ("NPV")$_{8\%}$ of $552.0 million and an internal rate of return ("IRR") of 23.6%; and
- After-tax NPV$_{8\%}$ of $394.0 million and after-tax IRR of 20.0%.

The Bornite PEA describes the technical and economic viability of establishing an underground mining operation for a 6,000 tonne-per-day operation with a 17-year mine life. The Bornite PEA assumes re-purposing the infrastructure described in the Company's current Feasibility Study for the Arctic Project for the use with the Bornite Project once the Arctic deposit has been depleted. More information on the Arctic Feasibility Study and the Bornite PEA can be accessed on the Company's website at www.trilogymetals.com.

Budget -Trilogy

The Company has a 2025 fiscal year cash budget totaling $3.1 million. For the three-month period ended May 31, 2025, we spent $1.2 million compared to budgeted cash expenditures of $1.0 million. We incurred unplanned expenditures during the second quarter of $0.7 million for the Base Shelf Prospectus and ATM program, offset by the timing of our annual insurance payment of $0.5 million which we fully paid after the quarter ended, in June 2025. For the six-month period ended May 31, 2025, we spent $2.0 million primarily for personnel costs, professional fees, regulatory and office expenses comparable with budgeted cash expenditures totaling $2.0 million. Our overall corporate expenditures are tracking as planned except for the costs associated with the establishment of the Base Shelf Prospectus and ATM program.

Budget - Ambler Metals LLC

The board of Ambler Metals approved a 2025 fiscal year budget totaling $5.8 million to support external and community affairs, to maintain the State of Alaska mineral claims in good standing, and for the maintenance of physical assets. For the six-month period ended May 31, 2025, Ambler Metals spent $1.9 million in expenses primarily related to salaries and wages, professional fees, engineering, and project support. This compared to a budget amount of $2.2 million, resulting in expenditures being under budget by $0.3 million. The variance was mainly due to delayed hiring and lower than expected general administrative expenses.

In addition, the board of Ambler Metals approved a supplemental budget of $0.6 million to support the Ambler Access Project for the same six-month period ended May 31, 2025. For the six-month ended May 31, 2025, Ambler Metals incurred $0.4 million related to the Ambler Access Project costs, primarily consisting of subsistence committee meetings and community relations activities.

Summary of results

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

	Three months ended		Six months ended	
	May 31, 2025 $	May 31, 2024 $	May 31, 2025 $	May 31, 2024 $
General and administrative	353	319	696	734
Investor relations	18	19	34	31
Professional fees	612	192	1,059	392
Salaries	316	178	523	369
Salaries and directors expense – stock-based compensation	367	509	2,597	2,508
Share of loss on equity investment	764	602	1,345	1,395
Comprehensive loss for the year	(2,177)	(1,759)	(5,800)	(5,360)
Basic and diluted loss per common share	(0.01)	(0.01)	(0.04)	(0.03)

For the three-month period ended May 31, 2025, we reported a net loss of $2.2 million compared to a net loss of $1.8 million for the three-month period ended May 31, 2024. The increase in comprehensive loss in the second quarter of 2025, compared to the same quarter in 2024, was primarily driven by higher regulatory expenses and legal fees related to the Company's Base Shelf Prospectus and ATM Program. For the three-month period ended May 31, 2025, salaries increased due to executives receiving 100% of their base compensation in cash starting on March 1, 2025. In comparison, during the same period in 2024, all of the base salary for the Company's Chief Executive Officer and one-third of the base salaries for the other executives was paid in Restricted Share Units ("RSUs") as part of a multi-year cash conservation initiative, which was recorded in stock-based compensation. The increase in salaries was offset by a corresponding decrease in salaries and directors expense - stock-based compensation. The increase in our share of loss of Ambler Metals was primarily driven by higher professional consulting fees related to engineering activities incurred during the second quarter and partially offset by a reduction in overall activities at the Ambler Access Project.

For the six-month period ended May 31, 2025, we reported a net loss of $5.8 million, compared to a net loss of $5.4 million for the same period in 2024. The increase was primarily driven by higher regulatory expenses and legal fees related to the Company's Base Shelf Prospectus and ATM Program of $0.7 million, as well as fees related to the preparation of the Bornite preliminary economic assessment study (the "Bornite PEA") of $0.2 million. Salaries increased due to executives receiving 100% of their base compensation in cash starting on March 1, 2025. In comparison, during the same period in 2024, a portion of executive compensation was paid in RSUs. Our share of losses from Ambler Metals for the six-month period ended May 31, 2025 remained comparable to the same period in 2024. Additionally, overall corporate costs were partially offset by $0.4 million in interest income earned.

Liquidity and capital resources

During the six-month period ending May 31, 2025, we used $1.4 million in operating activities. The majority of these funds was spent on corporate salaries, professional fees to complete the Bornite PEA, and the establishment of the Shelf Base Prospectus and ATM Program along with related regulatory filing fees with the United States and Canadian securities commissions. In addition, the Company incurred annual listing fees for the NYSE American Exchange and the Toronto Stock Exchange during the first fiscal quarter. These outflows were partially offset by $0.4 million in interest income earned .

As at May 31, 2025, we had $24.6 million in cash and cash equivalents and working capital, which we define as current assets less current liabilities, of $23.8 million. There is sufficient cash on hand to fund the approved fiscal 2025 cash budget of $3.1 million.

To ensure sufficient liquidity in the future to support our operations, administration expenses and contributions for our share of Ambler Metals, we have an effective Base Shelf Prospectus that allows for the future issuance, from time to time, up to US$50.0 million in Securities. We have also established an ATM Program whereby we may, from time to time and at our discretion, offer and sell the Common Shares having an aggregate gross sales price of up to US$25.0 million under the ATM Program, through the Agents, at the prevailing market price at the time of sale. As at July 10, 2025, we have not utilized the ATM program.

We believe our current cash position is sufficient to meet our working capital requirement for the next 12 months. Additionally, we have access to capital markets to support any future funding needs related to joint venture contributions.

Off-balance sheet arrangements

We have no material off-balance sheet arrangements.

Outstanding share data

As at July 10, 2025, we had 164,241,410 common shares issued and outstanding. As at July 10, 2025, we had 12,015,234 stock options outstanding with a weighted-average exercise price of CDN$1.48, 3,206,355 DSUs, 304,605 Fixed DSUs and 1,798,338 RSUs outstanding. As at July 10, 2025 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. Upon the exercise of all the foregoing convertible securities, the Company would be required to issue an aggregate of 17,325,391 common shares.

New accounting pronouncements

Updates to Reportable Segment Disclosures

In November 2023, the FASB issued Accounting Standards Update ("ASU") 2023-07 "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures". ASU 2023-07 expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss and interim disclosures of a reportable segment's profit or loss and assets. The standard is effective for the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 2025, and subsequent interim periods, with early adoption permitted. The Company is evaluating the impact of the guidance on the consolidated financial statements or disclosures.

Updates to Income Tax Disclosure

In December 2023, the FASB issued ASU 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." ASU 2023-09 enhances the transparency and decision usefulness of income tax disclosures through changes to the rate reconciliation and income taxes paid information. The standard is effective beginning with the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 2026, and subsequent interim periods, with early adoption permitted. The Company is evaluating the impact of the guidance on the consolidated financial statements.

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, 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. Ambler Metals is a non-publicly traded equity investment owning exploration and development projects. Significant judgments are made in assessing the possibility of impairment. The Company assesses whether there has been a potential triggering event for other-than-temporary impairment by assessing the underlying assets of Ambler Metals for recoverability and assessing whether there has been a change in the development plan or strategy for the projects. If the Company concludes there is sufficient evidence for an other-than-temporary impairment, an assessment of fair value is performed. If the underlying assets are not recoverable, the Company will record an impairment charge equal to the difference between the carrying amount of the equity investment and its fair value. This assessment is subjective and requires consideration at each period end.

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 and is based on factors such as changes in facts or circumstances, changes in tax law, new audit activity, and effectively settled issues. The evaluation of an uncertain tax position requires significant judgment, and a change in such recognition would result in an additional charge to the income tax expense and liability.

Stock-based compensation

Compensation expense for stock options granted to employees, directors and certain service providers is determined based on estimated fair values of the stock 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.

Additional information

Additional information regarding the Company, including our annual report on Form 10-K for the fiscal year ended November 30, 2024, is available on SEDAR+ at www.sedarplus.ca and EDGAR at www.sec.gov and on our website at www.trilogymetals.com. Information contained on our website is not incorporated by reference.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not applicable.

Item 4. 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 U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and the rules of Canadian Securities Administration, as of May 31, 2025. Based on this evaluation, the CEO and CFO have concluded that the Company's disclosure controls and procedures were effective.

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.

Changes in internal control over financial reporting

There have been no changes in our internal controls over financial reporting during the fiscal quarter ended May 31, 2025 which have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting. We continue to evaluate our internal control over financial reporting on an ongoing basis to identify improvements.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are a party to routine litigation and proceedings that are considered part of the ordinary course of its business. We are not aware of any material current, pending, or threatened litigation.

Item 1A. 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 for the fiscal year ended November 30, 2024 ("Form 10-K") which is available on SEDAR+ at www.sedarplus.ca and EDGAR at www.sec.gov and on our website at www.trilogymetals.com.

With the exception of the addition of the below, there have been no material changes to the risk factors set forth in Trilogy's Form 10-K.

Changes in U.S. laws and policies regulating international trade may adversely impact the Company.

The results of the recent election in the United States may result in legislative and regulatory changes that could have a material adverse effect on the Company and its financial condition. In particular, there is uncertainty regarding U.S. tariffs *and support for existing treaty and trade relationships, including with Canada. Although discussions continue between the United States and other countries, there remains significant uncertainty over whether tariffs or other restrictive trade measures or countermeasures will be implemented and, if so, the scope, impact and duration of any such measures. A trade war or new tariffs barriers may potentially lead to increases or decreases in revenues due to higher or lower metal prices, but the overall effect would depend on changes in demand, production strategies, and operational costs. Further, a trade war or new tariff barriers may potentially lead to increased costs and may result in uncertainty over mineral resources and reserve estimates in its technical reports. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to project.*

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

These disclosures are not applicable to us.

Item 5. Other Information

a) None.

b) None.

c) During the quarterly period ended May 31, 2025, no director or officer adopted or terminated any Rule 10b5-1 trading arrangement, and/or any non-Rule 10b5-1 trading arrangement (as such terms are defined pursuant to Item 408(a) of Regulation S-K).

Item 6. Exhibits

Exhibit No.	Description
3.1	Certificate of Incorporation, dated April 27, 2011 (incorporated by reference Exhibit 99.2 to the Registration Statement on Form 40-F as filed on March 1, 2012, File No. 001-35447)
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 Registration Statement on Form 40-F as filed on April 19, 2012, File No. 001-35447)
3.3	Notice of Articles and Certificate of Change of Name, dated September 1, 2016 (incorporated by reference to Exhibit 3.1 to the Form 8-K dated September 8, 2016)
10.1	Equity Distribution Agreement, dated May 27, 2025, by and among Trilogy Metals Inc., BMO Nesbitt Burns Inc., Cantor Fitzgerald Canada Corporation, BMO Capital Markets Corp. and Cantor Fitzgerald & Co. (incorporated by reference to Exhibit 10.1 to the Form 8-K dated May 27, 2025).
31.1	Certification of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a)
31.2	Certification of the Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a)
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350
101	**Interactive Data Files**
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File – the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

SIGNATURES

Pursuant to the requirements 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.

Date: July 10, 2025	**TRILOGY METALS INC.**	
	By:	/s/ Tony Giardini
		Tony Giardini President and Chief Executive Officer
	By:	/s/ Elaine M. Sanders
		Elaine M. Sanders Vice President and Chief Financial Officer

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULE 13a-14 OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Tony Giardini, certify that:

1) I have reviewed this Quarterly Report on Form 10-Q 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.

Date: July 10, 2025

By: /s/ Tony Giardini
Tony Giardini
President and Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULE 13a-14 OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Elaine Sanders, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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.

Date: July 10, 2025

By: /s/ Elaine Sanders
Elaine Sanders
Vice President and Chief Financial Officer
(principal financial officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Trilogy Metals Inc. (the "Registrant") for the period ended May 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Tony Giardini, President and Chief Executive Officer of the Registrant, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; 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: July 10, 2025

By: /s/ Tony Giardini
Tony Giardini
President and Chief Executive Officer
(principal executive officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Trilogy Metals Inc. (the "Registrant") for the period ended May 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Elaine Sanders, Vice President and Chief Financial Officer of the Registrant, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; 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: July 10, 2025

By: /s/ Elaine Sanders
Elaine Sanders
Vice President and Chief Financial Officer
(principal financial officer)