



Trilogy Metals Inc.

Consolidated Financial Statements
November 30, 2025, 2024 and 2023
(expressed in US dollars)

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

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

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Trilogy Metals Inc. and its subsidiaries (the Company) as of November 30, 2025 and 2024, and the related consolidated statements of loss and comprehensive loss, of changes in shareholders' equity and of cash flows for each of the three years in the period ended November 30, 2025, including the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of November 30, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended November 30, 2025 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

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

Critical Audit Matters

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

Impairment indicator assessment of the Investment in Ambler Metals LLC

As described in Notes 2 and 3 to the consolidated financial statements, the Company has an investment in Ambler Metals LLC (Ambler) accounted for using the equity method of accounting. As of November 30, 2025, the carrying amount of the Company's investment in Ambler was \$105 million. Management assesses the possibility of impairment in the carrying value of its equity method investment in Ambler whenever events or circumstances indicate that the carrying amount of the investment may not be recoverable. Significant judgments are made by management in assessing the possibility of impairment. Factors that may be indicative of an impairment include a loss in the value of an investment that is not temporary. Management considers several factors in considering if an indicator of impairment has occurred, including but not limited to, sustained losses by the investment, the absence of the ability to recover the carrying amount of the investment, deterioration of market conditions inclusive of significant changes in the legal, business or regulatory environment, significant adverse changes impacting the investee and internal reporting indicating the economic performance of an investment is, or will be, worse than expected.

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

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others, evaluating the reasonableness of management's assessment of impairment indicators related to the investment in Ambler which included (i) evaluating whether there was an absence of the ability to recover the carrying amount of the investment by considering the market capitalization of the company, and (ii) evaluating whether there was a deterioration of market conditions inclusive of significant changes in the legal environment and assessing the completeness of facts and circumstances that could be considered as impairment indicators of the Investment in Ambler by performing an audit of the financial statements of Ambler as of November 30, 2025. Performing an audit of the financial statements of Ambler as of November 30, 2025 included (i) evaluating whether there were significant adverse changes in the business climate including significant decreases in copper, zinc, and other metal prices and (ii) evaluating whether there were significant adverse changes in legal factors with respect to mineral property title matters.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants
Vancouver, Canada
February 16, 2026

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

Trilogy Metals Inc.
Consolidated Balance Sheets
As at November 30, 2025 and 2024

in thousands of US dollars

	November 30, 2025	November 30, 2024
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	51,613	25,834
Accounts receivable	118	16
Deposits and prepaid amounts	193	195
Total current assets	51,924	26,045
Investment in Ambler Metals LLC (note 3)	105,263	107,497
Right of use asset (note 5(a))	117	155
Total assets	157,304	133,697
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 4)	2,329	756
Current portion of lease liability (note 5b)	41	37
Derivative liability (note 6)	30,743	—
Total current liabilities	33,113	793
Long-term portion of lease liability (note 5(b))	70	110
Total liabilities	33,183	903
Shareholders' equity		
Share capital (note 7) – unlimited common shares authorized, no par value issued – 171,069,888 (2024 – 161,085,313)	225,241	190,503
Contributed surplus	118	118
Contributed surplus – options (note 7(a))	27,294	28,801
Contributed surplus – units (note 7(b))	4,109	3,772
Deficit	(132,641)	(90,400)
Total shareholders' equity	124,121	132,794
Total liabilities and shareholders' equity	157,304	133,697

Commitments (note 10)

Subsequent events (note 12)

(See accompanying notes to the consolidated financial statements)

/s/Tony Giardini, President, CEO and Director

/s/ Diana Walters, Director

Approved on behalf of the Board of Directors

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

	2025	2024	2023
	\$	\$	\$
Expenses			
Amortization	—	4	8
Exploration expenses	166	36	43
Foreign exchange (gain) loss	(17)	(1)	5
General and administrative	1,330	1,218	1,328
Investor relations	161	72	130
Professional fees	2,058	923	1,073
Salaries	2,388	927	753
Salaries and directors expense – stock-based compensation (note 7)	3,336	3,520	3,887
Total expenses	9,422	6,699	7,227
Other items			
Interest and other income	(1,158)	(748)	(120)
Share of loss on equity investment (note 3(b))	11,392	2,636	7,844
Loss on derivative carried at fair market value (note 6)	22,585	—	—
Loss and comprehensive loss for the year	(42,241)	(8,587)	(14,951)
Basic loss per common share	(0.26)	(0.05)	(0.10)
Diluted loss per common share	(0.26)	(0.05)	(0.10)
Basic weighted average number of common shares outstanding	164,817,519	159,829,344	152,647,254
Diluted weighted average number of common shares outstanding	164,817,519	159,829,344	152,647,254

(See accompanying notes to the consolidated financial statements)

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

in thousands of US dollars, except share amounts

	Number of shares outstanding	Share capital \$	Contributed surplus \$	Contributed surplus – options \$	Contributed surplus – units \$	Deficit \$	Total shareholders' equity \$
Balance – 2022	146,225,035	182,178	122	27,352	2,638	(66,862)	145,428
Private Placement, net of share issue cost	5,854,545	3,115	—	—	—	—	3,115
Restricted share units	3,091,614	1,911	—	—	(1,911)	—	—
Deferred share units	415,056	468	—	—	(468)	—	—
Joint venture contribution	143,505	111	—	—	—	—	111
Services settled by common shares	195,105	99	—	—	—	—	99
NovaGold DSU conversion	1,130	4	(4)	—	—	—	—
Stock-based compensation	—	—	—	885	2,868	—	3,753
Loss for the year	—	—	—	—	—	(14,951)	(14,951)
Balance – 2023	155,925,990	187,886	118	28,237	3,127	(81,813)	137,555
Exercise of options	136,666	110	—	(36)	—	—	74
Restricted share units	4,635,695	2,275	—	—	(2,275)	—	—
Joint venture contribution	143,507	112	—	—	—	—	112
Services settled by common shares	243,455	120	—	—	—	—	120
Stock-based compensation	—	—	—	600	2,920	—	3,520
Loss for the year	—	—	—	—	—	(8,587)	(8,587)
Balance – 2024	161,085,313	190,503	118	28,801	3,772	(90,400)	132,794
Exercise of options	3,664,983	8,355	—	(2,670)	—	—	5,685
At-the-market offering, net of share issue cost	3,513,495	24,325	—	—	—	—	24,325
Restricted share units	2,767,851	2,008	—	—	(1,836)	—	172
Services settled by common shares	38,246	50	—	—	—	—	50
Stock-based compensation	—	—	—	1,163	2,173	—	3,336
Loss for the year	—	—	—	—	—	(42,241)	(42,241)
Balance – 2025	171,069,888	225,241	118	27,294	4,109	(132,641)	124,121

(See accompanying notes to the consolidated financial statements)

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

in thousands of US dollars

	2025	2024	2023
	\$	\$	\$
Cash flows used in operating activities			
Loss for the year	(42,241)	(8,587)	(14,951)
Adjustments to reconcile net loss to cash flows used in operating activities			
Amortization	—	4	8
Consulting fees settled by common shares	30	120	116
Office lease accounting	2	76	17
Loss on equity investment in Ambler Metals LLC	11,392	2,636	7,844
Loss on derivative carried at fair market value	22,585	—	—
Unrealized foreign exchange (gain)/loss	(17)	(2)	5
Stock-based compensation	3,336	3,520	3,887
Net change in non-cash working capital			
Decrease/(increase) in accounts receivable	8	17	(16)
Decrease in deposits and prepaid amounts	2	64	61
Increase/(decrease) in accounts payable and accrued liabilities	1,655	324	(64)
Total cash flows used in operating activities	(3,248)	(1,828)	(3,093)
Cash flows from financing activities			
Proceeds from issuance of common shares, net of share issue costs	24,325	—	3,115
Proceeds from exercise of options	5,685	74	—
Total cash flows from financing activities	30,010	74	3,115
Cash flows from investing activities			
Return of capital from Ambler Metals LLC (note 3(b))	—	25,000	—
Contribution to Ambler Metals LLC	(1,000)	—	—
Total cash (used in)/flows from investing activities	(1,000)	25,000	—
Change in cash	25,762	23,246	22
Effect of exchange rate on cash	17	(2)	(5)
Cash – beginning of the year	25,834	2,590	2,573
Cash – end of the year	51,613	25,834	2,590

(See accompanying notes to the consolidated financial statements)

Trilogy Metals Inc.

Notes to Consolidated Financial Statements

1) Nature of operations

Trilogy Metals Inc. (“Trilogy”, the “Company”, or “we”) was incorporated in British Columbia under the Business Corporations Act (BC) on April 27, 2011. The Company is engaged in the exploration and development of mineral properties, through our equity investee (note 3), with a focus on the Upper Kobuk Mineral Projects (“UKMP”), including the Arctic and Bornite Projects located in Northwest Alaska in the United States of America (“US” or “USA”). The Company also conducts early-stage exploration through a wholly owned subsidiary, 995 Exploration Inc.

2) Summary of significant accounting policies

Basis of presentation

These consolidated financial statements have been prepared using accounting principles generally accepted in the United States (“U.S. GAAP”) and include the accounts of Trilogy and its wholly owned subsidiaries, NovaCopper US Inc. (dba “Trilogy Metals US”) and 995 Exploration Inc. All intercompany transactions are eliminated on consolidation. For variable interest entities (“VIEs”) where Trilogy is not the primary beneficiary, we use the equity method of accounting.

All figures are in United States dollars unless otherwise noted. References to CDN\$ refer to amounts in Canadian dollars.

These financial statements were approved by the Company’s Board of Directors for issue on February 16, 2026.

Cash

Cash consists of bank deposits that are held at two large Canadian financial institutions. The majority of cash is uninsured as at November 30, 2025.

Investment in affiliates

Investments in unconsolidated ventures over which the Company has the ability to exercise significant influence, but does not control, are accounted for under the equity method and include the Company’s investment in Ambler Metals LLC (“Ambler Metals”) . We identified Ambler Metals as a VIE as the entity is dependent on funding from its owners. All funding, ownership, voting rights and power to exercise control is shared equally on a 50/50 basis between the owners of the VIE. Therefore, the Company has determined that it is not the primary beneficiary of the VIE. The Company’s maximum exposure to loss is its investment in Ambler Metals.

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

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

consistent with those used by principal market participants or observed market earnings multiples of comparable companies. The fair value of the investment is compared to its carrying value, if there is impairment the investment is written down to fair value.

Fixed assets

Property and equipment are recorded at cost and amortization begins when the asset is put into service. Amortization is calculated on a straight-line basis over the respective assets' estimated useful lives. Amortization periods by asset class are:

Computer hardware and software	3 years
Leasehold improvements	lease term
Office furniture and equipment	5 years

Mineral properties and development costs

All direct costs related to the acquisition of mineral property interests are capitalized. Mineral property exploration expenditures are expensed when incurred. When it has been established that a mineral deposit is commercially mineable, an economic analysis has been completed and permits are obtained, the costs subsequently incurred to develop a mine on the property prior to the start of mining operations are capitalized. Capitalized costs will be amortized following commencement of production using the unit of production method over the estimated life of proven and probable reserves.

Leases

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on the unique facts and circumstances present in the arrangement. Leases with a term greater than one year are recognized on the balance sheet as ROU assets and short-term and long-term lease liabilities, as applicable. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. It also considers termination options and factors those into the determination of lease payments. Options to renew a lease are not included in the assessment unless there is reasonable certainty that the Company will renew.

Operating lease liabilities and their corresponding ROU assets are recorded based on the present value of lease payments over the expected remaining lease term. Certain adjustments to the ROU asset may be required for items such as incentives received. The interest rate implicit in lease contracts is typically not readily determinable. As a result, the Company utilizes its incremental borrowing rate, which reflects the fixed rate at which it could borrow on a collateralized basis the amount of the lease payments in the same currency, for a similar term, in a similar economic environment. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Income taxes

The liability method of accounting for income taxes is used and is based on differences between the accounting and tax basis of assets and liabilities. Deferred income tax assets and liabilities are recognized for temporary differences between the tax and accounting basis of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes using enacted income tax rates expected to be in effect for the period in which the differences are expected to reverse. Deferred income tax assets are evaluated and, if realization is not considered more likely than not, a valuation allowance is provided.

Financial instruments

Loans and receivables are recorded initially at fair value, net of transaction costs incurred, and subsequently at amortized cost using the effective interest rate method. Loans and receivables consist of cash, accounts receivable, and deposits.

Derivative financial instruments are recorded initially and subsequently at fair value, with changes in fair value recorded in the statement of loss and comprehensive loss.

Other financial liabilities are recorded initially at fair value and subsequently at amortized cost using the effective interest rate method. Other financial liabilities include accounts payable and accrued liabilities.

Translation of foreign currencies

The functional currency of the Company and its subsidiaries and the Company's reporting currency is the United States dollar.

Monetary assets and liabilities are translated into United States dollars at the exchange rate in effect at the balance sheet date, and non-monetary assets and liabilities at the exchange rate in effect at the time of acquisition or issue. Income and expenses are translated at rates approximating the exchange rate in effect at the time of transactions. Exchange gains or losses arising on translation are included in income or loss for the period.

Earnings and loss per share

Basic and diluted income (loss) per share are presented for net income (loss). Basic income (loss) per share is computed by dividing net income (loss) by the weighted-average number of outstanding common shares for the period. Diluted income per share reflects the potential dilution that could occur if securities or other contracts that may require the issuance of common shares in the future were converted. Diluted income per share is computed by increasing the weighted average number of outstanding common shares to include the additional common shares that would be outstanding after conversion and adjusting the net income for changes that would result from the conversion. Only those securities or other contracts that result in a reduction in earnings per share are included in the calculation.

Stock-based compensation

Compensation expense for options granted to employees, directors and certain service providers is determined based on estimated fair values of the options at the time of grant using the Black-Scholes option pricing model, which takes into account, as of the grant date, the fair market value of the shares, expected volatility, expected dividend yield, the risk-free interest rate, and the expected life of the option. The compensation cost is recognized using the graded attribution method over the vesting period of the respective options. The expense relating to the fair value of stock options is included in expenses, net of forfeitures and is credited to contributed surplus. Shares are issued from treasury in settlement of options exercised.

Compensation expense for restricted share units ("RSUs") and deferred share units ("DSUs") granted to employees and directors, respectively, is determined based on estimated fair values of the units at the time of grant using quoted market prices. The cost is recognized using the graded attribution method over the vesting period of the respective units. The expense relating to the fair value of the units is included in expenses, net of forfeitures and is credited to other liabilities or contributed surplus based on the unit's classification. Units may be settled in either i) cash, and/or ii) shares purchased in the open market, and/or iii) shares issued from treasury, at the Company's election at the time of vesting.

Use of estimates and measurement uncertainties

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions of future events that affect the reported amount of assets and liabilities and disclosure of contingent

liabilities at the date of the financial statements, and the reported amounts of expenditures during the period. Significant estimates include 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 investments 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 of an 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 of 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.

The Company measures the derivative liability based on an option valuation model. Estimates and assumptions used in the model include the probability of the occurrence of the exercise contingency.

New accounting pronouncements

Recently Adopted Accounting Standards

In fiscal year 2025, we adopted Accounting Standards Update (“ASU”) 2023-07 “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures”. Management has evaluated the Company’s operations and concluded it has one reportable operating segment. The new standard expands segment disclosure requirements. This standard has not changed the processing, recording, or presentation of financial data, other than providing additional disclosures regarding management oversight for the Company’s single operating segment. The additional disclosures required by the standard are included in Note 11.

Issued and Not Effective

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 the 50/50 Joint Venture named Ambler Metals with South32. As part of the formation of the Joint Venture, Trilogly contributed all its assets associated with the UKMP, including the Arctic and Bornite Projects, while South32 contributed \$145 million, resulting in each party’s subsidiaries directly owning a 50% interest in Ambler Metals.

Ambler Metals is a company jointly controlled by Trilogly and South32 through a four-member board, of which two members are appointed by Trilogly 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 November 30, 2025, totaled \$105.3 million (2024 - \$107.5 million).

(b) Carrying value of investment in Ambler Metals

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 \$6.5 million for the year ended November 30, 2025 (2024 - \$5.3 million). During the month of November 2025, Trilogy and South32 each contributed \$1.0 million in cash to Ambler Metals to fund its operations. The carrying value of Trilogy's 50% investment in Ambler Metals as at November 30, 2025 is summarized in the following table.

	\$
November 30, 2023, Investment in Ambler Metals	135,021
Joint venture equity contribution	112
Return of capital	(25,000)
Share of loss on equity investment for the year ending November 30, 2024	(2,636)
November 30, 2024, Investment in Ambler Metals	107,497
Funding	1,000
Member contribution of U.S. government support costs	8,158
Share of loss on equity investment for the year ending November 30, 2025	(11,392)
November 30, 2025, Investment in Ambler Metals	105,263

(c) The following table provides Ambler Metals' balances on a 100% basis as at November 30, 2025. The Company's carrying value of the investment in Ambler Metals exceeds its share of the carrying value of the net assets of Ambler Metals as a result of recording the Company's initial investment in 2020 at fair value.

	November 30, 2025 \$	November 30, 2024 \$
Cash and cash equivalents	3,507	7,472
Mineral properties	30,899	30,899
Other assets	1,303	1,590
Total assets	35,709	39,961
Accounts payable and accrued liabilities	961	559
Other liabilities	16	202
Total liabilities	977	761
Members' equity (total assets less total liabilities)	34,732	39,200

Ambler Metals' cash and cash equivalents are held at one bank. The majority of the cash and cash equivalents is uninsured as at November 30, 2025.

- (d) The following table summarizes Ambler Metals' loss for the years ended November 30, 2025, November 30, 2024 and November 30, 2023.

in thousands of dollars

	For the year ended		
	November 30, 2025	November 30, 2024	November 30, 2023
	\$	\$	\$
Corporate salaries and wages	297	440	2,068
General and administrative	486	504	547
Mineral property expense	4,210	4,098	12,822
Professional fees	1,567	1,122	547
Depreciation	108	137	150
Foreign exchange (gain)/loss	(10)	2	(2)
Members contribution of U.S. government support costs	16,316	—	—
Interest and other income	(190)	(1,032)	(445)
Comprehensive loss	22,784	5,271	15,687

- (e) Related party transactions

During the fiscal year 2025, the Company charged \$212,902 (2024 - \$131,000) related to administration services, accounting services and reimbursements of expenditures paid on behalf of Ambler Metals; all in connection with a service agreement between the Company and Ambler Metals. As at November 30, 2025, \$15,300 remains outstanding and is recorded as a receivable.

4) Accounts payable and accrued liabilities

in thousands of dollars

	November 30, 2025	November 30, 2024
	\$	\$
Trade accounts payable	646	196
Accrued liabilities	311	62
Accrued payroll liabilities	1,372	498
Accounts payable and accrued liabilities	2,329	756

5) Leases

- (a) Right-of-use asset

in thousands of dollars

	\$
Balance as at November 30, 2023	113
Net amortization for lease ended June 30, 2024	(113)
ROU assets recognized for lease commenced July 1, 2024	170
Net amortization for lease commenced July 1, 2024	(15)
Balance as at November 30, 2024	155
Net amortization	(38)
Balance as at November 30, 2025	117

(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

	Year ended November 30, 2025	Year ended November 30, 2024
	\$	\$
Fixed rent expense	50	134
Variable rent expense	21	112
Total lease expense	71	246

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 year ending November 30, 2025, variable lease costs have been reduced by a refund received for adjusted operating costs from the previous lease.

As at November 30, 2025, the remaining lease term is 2.6 years. The discount rate used to measure the lease liability is 9%. 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 year ended November 30, 2025 is as follows:

- Cash paid for base rent included in the measurement of lease liabilities was approximately \$48,100.

Future minimum payments relating to the lease recognized in our balance sheet as of November 30, 2025 are as follows:

in thousands of dollars

Fiscal year	November 30, 2025
	\$
2026	49
2027	50
2028	25
Total undiscounted lease payments	124
Effect of discounting	(13)
Present value of lease payments recognized as lease liability	111
Less: current portion of lease liability	(41)
Long-term portion of lease liability	70

6) Derivative liability

On October 6, 2025, the Company entered into a binding letter of intent with the U.S. Department of War (“DOW”) for their conditional investment of approximately \$17.8 million in exchange for 8,215,570 units at a price of \$2.17 per unit, with each unit comprising of one common share of the Company and $\frac{1}{4}$ of a 10-year warrant to acquire up to 6,161,678 common shares of the Company at a price of \$0.01 per share. The binding agreement expires March 31, 2026 if the conditions have not been met at that date.

Because the Company is obligated to issue common shares and warrants upon satisfaction of conditions that are not solely within the Company’s control, the commitment is accounted for as a written option for the sale of a unit on October 6, 2025. The Company has accounted for the obligation as a derivative financial instrument under ASC 815-40 as the obligation, which is partially conditional on the completion of the Ambler Access Project, is not considered indexed solely to the Company’s own stock.

On October 6, 2025 the Company recognized an initial liability of \$8.1 million and a corresponding expense related to the DOW’s proposed collaboration agreement which was contributed to Ambler Metals and at November 30, 2025, the Company increased the liability by \$22.6 million representing the change in the fair value of the obligation to issue the common shares and warrants and recognized a corresponding loss for the period. Also see fair value accounting assumptions in note 8.

7) Share capital

Authorized:

unlimited common shares, no par value

in thousands of dollars, except share amounts

	Number of shares	\$
November 30, 2024	161,085,313	190,503
At-the-market offering, net of share issue cost	3,513,495	24,325
Exercise of options	3,664,983	8,355
Shares issued from Restricted Share Units	2,767,851	2,008
Services settled by common shares	38,246	50
November 30, 2025, issued and outstanding	171,069,888	225,241

In October 2025, the Company issued 3,513,495 common shares under its May ATM Program, resulting in gross proceeds of \$25.0 million at an average price of \$7.12 per share. After deducting commissions, the Company received net proceeds of \$24.3 million. The May ATM Program was terminated upon completion of these sales.

(a) Stock options

The Company has a stock option plan providing for the issuance of options with a rolling maximum number equal to 10% of the issued and outstanding Common Shares at any given time. The Company may grant options to its directors, officers, employees and service providers. The exercise price of each option cannot be lower than the greater of market price or fair market value of the Common Shares (as such terms are defined in the plan) at the date of the option grant. The number of Common Shares optioned to any single optionee may not exceed 10% of the issued and outstanding Common Shares at the date of grant. The options are exercisable for a maximum of five years from the date of grant and may be subject to vesting provisions.

During the year ended November 30, 2025, the Company granted 2,125,000 stock options (2024 – 2,775,000, 2023 – 3,230,000 stock options) at an exercise price of CDN\$1.52 (2024 - CDN\$0.59, 2023 – CDN\$0.78) to employees, consultants and directors exercisable for a period of five years with various vesting terms from immediate vesting to over a two-year period. The fair value attributable to options granted in 2025 was \$0.59 (2024 - CDN\$0.28, 2023 - CDN\$0.37).

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

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

	November 30, 2025
Risk-free interest rates	2.85%
Exercise price	CDN\$1.52
Expected life	3 years
Expected volatility	89.3%
Expected dividends	Nil

The Company recognized a stock option expense of \$1.2 million for the year ended November 30, 2025 (2024 - \$0.6 million; 2023 - \$0.9 million), net of forfeitures.

As of November 30, 2025, there were 1,908,337 unvested options outstanding with a weighted average exercise price of CDN\$1.12. The unvested stock option expense not yet recognized was \$0.2 million. This expense is expected to be recognized over the next thirteen months.

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

	November 30, 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	(3,664,983)	2.17
Cancelled/forfeited	(16,667)	1.52
Expired	(3,640,000)	2.75
Balance – end of the year	8,433,584	1.11

During the year ended November 30, 2025, the Company issued 3,664,983 common shares (2024 – 136,666, 2023 – nil) of the Company on the exercise of options with a weighted average exercise price of CDN\$2.17 per share. The Company also reclassified \$2.67 million from reserves to share capital on exercise of these stock options.

The following table summarizes information about the stock options outstanding at November 30, 2025.

Range of exercise price - CDN	Outstanding			Exercisable		Unvested
	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	5,223,334	2.50	0.69	4,398,331	0.71	825,003
\$1.01 to \$2.00	1,980,000	4.02	1.52	896,666	1.52	1,083,334
\$2.01 to \$3.00	1,230,250	0.98	2.22	1,230,250	2.22	—
	8,433,584	2.64	1.11	6,525,247	1.10	1,908,337

The aggregate intrinsic value of vested share options (the market value less the exercise price) at November 30, 2025 was \$22.62 million (2024 - \$2.07 million, 2023 - \$nil) and the aggregate intrinsic value of exercised options for the year ended November 30, 2024 was \$17.68 million (2023 - \$0.06 million, 2023 - \$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.

During the fiscal year ended November 30, 2025, the Company granted 1,811,096 RSUs (2024 – 6,061,851, 2023 – 4,640,089) to employees and consultants under RSU Plan. These RSU grants were made for the purposes of employee retention and long-term compensation, settlement of consulting services and in lieu of cash salaries for executives. In addition, Directors were granted 426,893 DSUs during the year ended November 30, 2025 (2024 – 704,711, 2023 – 1,283,023) based on their election to receive 100% of their annual retainer in DSUs.

A summary of the Company’s unit plans and changes during the year ended November 30, 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	353,950
Settled in common shares	(2,806,097)	—	—
Balance – end of the year	1,798,338	3,206,355	353,950

For the year ended November 30, 2025, Trilogy recognized a combined RSU and DSU stock-based compensation charge of \$2.2 million (2024 - \$2.9 million, 2023 - \$3.0 million).

8) 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, accounts receivable, deposits, and accounts payable and accrued liabilities and derivative liability. The fair value of the Company's financial instruments other than the derivative liability approximate their carrying value due to the short-term nature of their maturity. The Company's financial instruments initially measured at fair value and then held at amortized cost include cash, accounts receivable, deposits, and accounts payable and accrued liabilities. The majority of the Company's cash is held with two Canadian Financial Institutions and is uninsured as at November 30, 2025.

The derivative liability is carried at fair value on a recurring basis. The fair value of the derivative liability is valued on the basis of Level 3 inputs. The estimated fair value is based on the Company's common stock price of \$4.28 at November 30, 2025 (\$2.09 on October 7, 2025), volatility of 79%, a risk-free rate of 3.53% and management's estimate of the equal probability of completion and non-completion of the Ambler Access Project, which is beyond the control of the Company. A 10% change in the Company's stock price affects the gain or loss on the derivative liability by approximately \$4.8 million at November 30, 2025. A 10% change in management's estimate of the likelihood of completion affects the gain or loss on the derivative liability by approximately \$1.3 million at November 30, 2025.

9) Income taxes

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to earnings before income taxes. These differences result from the following items:

in thousands of dollars

	November 30, 2025	November 30, 2024	November 30, 2023
	\$	\$	\$
Loss before income taxes	(42,241)	(8,587)	(14,951)
Federal income tax rate	15.00 %	15.00 %	15.00 %
Provincial income tax rate	12.00 %	12.00 %	12.00 %
Statutory income tax rate	27.00 %	27.00 %	27.00 %
Combined federal and provincial statutory tax rate	27.00 %	27.00 %	27.00 %
Income tax (recovery) at statutory rate	(11,405)	(2,319)	(4,037)
Difference in foreign tax rates	(40)	(35)	(118)
Non-deductible expenditures	8,615	162	239
Change in estimates in respect of prior years	(25)	(56)	15
Share issuance costs	(182)	—	—
Other	(1)	1	—
Change in valuation allowance	3,038	2,247	3,901
Income tax recovery (expense)	—	—	—

Deferred income taxes arise from temporary differences in the recognition of income and expenses for financial reporting and tax purposes. The significant components of deferred income tax assets and liabilities at November 30, 2025 and 2024 are as follows:

in thousands of dollars

	November 30, 2025	November 30, 2024
	\$	\$
Deferred income tax assets		
Non-capital losses	65,344	63,293
Mineral property interest	4,145	4,538
Mineral property impairment	25	26
Deferred interest	5,819	6,074
Property, plant and equipment	121	152
Lease liability	30	40
Share issuance costs	444	17
Stock-based compensation	1,109	—
Other	29	33
Total deferred tax assets	77,066	74,173
Valuation allowance	(49,712)	(46,703)
Net deferred income tax assets	27,354	27,470
Deferred income tax liabilities		
Investment in Ambler Metals LLC	(27,323)	(27,428)
Right of use asset	(31)	(42)
Deferred income tax liabilities	(27,354)	(27,470)
Net deferred income tax assets (liabilities)	—	—

The Company has loss carry-forwards of approximately \$233 million that may be available for tax purposes. Certain of these losses occurred prior to the incorporation of the Company and are accounted for in the financial statements as if they were incurred by the Company. Prior to the NovaGold Arrangement, the Company undertook a tax reorganization in order to preserve the future deductibility of these losses for the Company, subject to the limitations below. Deferred tax assets have been recognized to the extent of future taxable income and the future taxable amounts related to taxable temporary differences for which a deferred tax liability is recognized can be offset. A valuation allowance has been provided against deferred income tax assets where it is not more likely than not that the Company will realize those benefits.

The losses expire as follows in the following jurisdictions:

in thousands of dollars

	Non-capital losses	Operating losses
	Canada	United States
	\$	\$
2026	—	1,530
2027	—	7,871
2028	—	8,978
2029	—	11,162
Thereafter	73,271	130,735
	73,271	160,276

Future use of U.S. loss carry-forwards is subject to certain limitations under provisions of the Internal Revenue Code including limitations subject to Section 382, which relates to a 50% change in control over a three-year period and are further dependent upon the Company attaining profitable operations. An ownership change under Section 382 occurred on January 22, 2009, regarding losses incurred by AGC, of which the attributes of those losses were transferred to Trilogy Metals US with the purchase of the mineral property in October 2011. Accordingly, the Company's ability to use these

losses may be limited or may expire un-utilized. An additional change in control may have occurred after November 30, 2011, which may further limit the availability of losses prior to the date of change in control.

Furthermore, tax reform provisions under Section 172 allow federal net operating losses arising in tax years subsequent to December 31, 2017 to be carried forward indefinitely. As at November 30, 2025 the Company has approximately \$40.7 million in operating losses that can be carried forward indefinitely.

10) Commitment

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

11) Segment information

The Company's operating segments are reported in a manner consistent with the internal reporting provided to its Chief Operating Decision Makers ("CODM"). The CODM, who are responsible for allocating resources and assessing the performance of the operating segments, have been identified as the Chief Executive Officer and Chief Financial Officer. The CODM evaluates the Company's performance based on the overall results of the Company, including the performance of its investment Ambler Metals LLC, which holds the Upper Kobuk Mineral Projects in Alaska. The Company uses a single U.S. GAAP-consistent measure of segment profit or loss with no reconciling items or measurement differences. Management has concluded that consolidated net income (loss) is the appropriate measure of segment of profit or loss. The CODM does not regularly receive or review discrete segment-level expense categories separate from those presented in the consolidated statements of operations. Accordingly, no significant segment expenses are separately disclosed, as all expenses are included within the consolidated statement of loss.

12) Subsequent events

On December 1, 2025, pursuant to previous elections, the Board of Directors were granted 19,742 DSUs in settlement of approximately \$80,000 of director fees.

Subsequent to November 30, 2025, the Company granted 1,340,000 stock options to employees and consultants and 282,500 RSUs for long term incentives to executives with a vesting schedule of one-third vesting immediately on the grant date, one-third to vest on the one year anniversary of the grant date and one-third to vest on the second year anniversary of the grand date. Directors received an annual grant of 315,000 stock options, all vesting immediately.