



High Grade, Safe Jurisdiction Solid Partners



Arctic Feasibility Results | August 2020

Forward Looking Statements

This presentation includes certain "forward-looking information" and "forward-looking statements" (collectively "forward-looking statements") within the meaning of applicable Canadian and United States securities legislation including the United States Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included herein, including, without limitation, the future price of copper, zinc, lead, gold and silver; the timing and amount of estimated future production; net present values and internal rates of return at Arctic; recovery rates; payback periods; costs of production; capital expenditures; costs and timing of the development of projects; mine life; the potential future development of Arctic and the future operating or financial performance of the Company, are forward-looking statements. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible", and similar expressions, or statements that events, conditions, or results "will", "may", "could", or "should" occur or be achieved. These forward-looking statements may include statements regarding perceived merit of properties; exploration plans and budgets; mineral reserves and resource estimates; work programs; capital expenditures; timelines; strategic plans; market prices for precious and base metals; or other statements that are not statements of fact. Forward-looking statements involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include the Company's ability to finance the development of its mineral properties; assumptions and discount rates being appropriately applied to the FS, uncertainty as to whether there will ever be production at the Company's mineral exploration and development properties; risks related to the Company's ability to commence production and generate material revenues or obtain adequate financing for its 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 activities at the Company's mineral properties; risks related to the Company's dependence on a third party for the development of its projects; commodity price fluctuations; uncertainties relating to the assumptions underlying resource and reserve estimates; mining and development risks, including risks related to infrastructure, accidents, equipment breakdowns, labor disputes, bad weather, non-compliance with environmental and permit requirements or other unanticipated difficulties with or interruptions in development, construction or production; the geology, grade and continuity of the Company's mineral deposits; the uncertainties involving success of exploration, development and mining activities; permitting timelines; risks pertaining to the outbreak of the coronavirus (COVID-19); government regulation of mining operations; environmental risks; unanticipated reclamation expenses; prices for energy inputs, labour, materials, supplies and services; uncertainties involved in the interpretation of drilling results and geological tests and the estimation of reserves and resources; the need for cooperation of government agencies and native groups in the development and operation of properties as well as the construction of the AMDIAP; unanticipated variation in geological structures, metal grades or recovery rates; fluctuations in currency exchange rates; unexpected cost increases in estimated capital and operating costs; the need to obtain permits and government approvals; uncertainty related to title to the Company's mineral properties and other risks and uncertainties disclosed in the Company's Annual Report on Form 10-K for the year ended November 30, 2019 filed with Canadian securities regulatory authorities and with the United States Securities and Exchange Commission and in other Company reports and documents filed with applicable securities regulatory authorities from time to time. The Company's forward-looking statements reflect the beliefs, opinions and projections on the date the statements are made. The Company assumes no obligation to update the forward-looking statements or beliefs, opinions, projections, or other factors, should they change, except as required by law.

Cautionary Note to United States Investors

This presentation has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of U.S. securities laws. Unless otherwise indicated, all resource and reserve estimates included or referenced in this press release have been prepared in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum (CIM)—CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended ("CIM Definition Standards"). NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian standards, including NI 43-101, differ significantly from the requirements of the United States Securities and Exchange Commission (SEC), and resource and reserve information contained herein may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserves". Under U.S. standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC's disclosure standards normally do not permit the inclusion of information concerning "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by U.S. standards in documents filed with the SEC. Investors are cautioned not to assume that all or any part of "measured" or "indicated resources" will ever be converted into "reserves". Investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. Under Canadian rules, estimated "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies except in rare cases. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in-place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of "reserves" are also not the same as those of the SEC, and reserves reported by Trilogy Metals in compliance with NI 43-101 may not qualify as "reserves" under SEC standards. Arctic does not have known reserves, as defined under SEC Industry Guide 7. Accordingly, information concerning mineral deposits set forth or referenced herein may not be comparable with information made public by companies that report in accordance with U.S. standards.



Trilogy Metals Attendees

Tony Giardini – President and CEO

Elaine Sanders – Chief Financial Officer

Jim Gowans – Director

Bob Jacko – VP Operations

Patrick Donnelly – VP Corporate Communications and Development

Consultants

Feasibility study was prepared by:

- Ausenco Engineering Canada
 - Plant and infrastructure design, consolidation of all operating costs and overall financial model
- Wood Canada Limited
 - Mine design and mineral reserve estimates
- SRK
 - Tailings and waste design
 - Hydrology and water management
- Feasibility study under supervision of Bob Jacko (VP Operations) and Jim Gowans (Director of Trilogy Metals and Trilogy Metals representative on Ambler Metals board)



Summary

- Feasibility study indicates robust economics
- **Pre-tax NPV_{8%} is \$1,550.9 million and Post-tax NPV_{8%} is \$1,134.7 million**
- At current spot metal prices (August 18, 2020) of \$2.94/lb Cu, \$1.09/lb Zn, \$0.89/lb Pb, \$2,001/oz Au and \$28.89/oz Ag. Pre-tax NPV_{8%} is \$1.8 billion and Post-tax NPV_{8%} is \$1.3 billion
- The feasibility study commenced last year prior to the formation of the Joint Venture with South32
 - Arctic pre-feasibility study was completed in February 2018
- The feasibility study will be provided to Ambler Metals to assist moving the project forward
- 10,000 tonne-per-day operation, open pit, 12-year life-of-mine
 - No material changes in scale and production at the Arctic Project from PFS to FS
- Strip ratio of 6.87 to 1
- Compared to the PFS, the mineral resources are the same, mineral reserves are slightly different due to 5% increase in dilution resulting in Mine feed change of 1%
- Cash costs are \$0.32/lb and all-in cost of \$0.98/lb – first quartile
- As in the PFS long-term commodity price assumptions the same
- Capital intensity ratio on initial capital of \$6,432/tonne of copper production equivalent
- FS does not include NANA option (16-25% direct interest in first project developed or a 15% NPI)
- The FS was prepared on a 100% ownership basis, of which Trilogy's share is 50%.
- **All amounts are in U.S. dollars**

Economics

| | PFS | FS | % Change from PFS to FS |
|---|---------|---------|-------------------------|
| Financial Summary | | | |
| Pre-tax Cash Flow (\$ million) | 4,520.1 | 3,768.0 | -17% |
| Pre-tax NPV (\$ million) at 8% | 1,935.2 | 1,550.9 | -20% |
| Post-tax NPV (\$ million) at 8% | 1,412.7 | 1,134.7 | -20% |
| Cash Costs, Net of By-product Credits (\$/lb Cu payable) | 0.15 | 0.32 | 116% |
| Capital Costs (\$/lb Cu payable) | 0.48 | 0.66 | 38% |
| All-in Cost, Net of By-product Credits (\$/lb of Cu payable) | 0.63 | 0.98 | 55% |
| Capital Intensity Ratio (\$ Initial Capital / t of copper Eq) | 6,203 | 6,432 | 4% |
| Pre-tax IRR (%) | 38.0 | 30.8 | -19% |
| Pre-tax Payback Period (years) | 1.9 | 2.4 | 25% |
| Post-tax IRR (%) | 33.4 | 27.1 | |
| Post-tax Payback Period (years) | 2.0 | 2.6 | |

- Robust Pre-tax and post-tax NPV
- Cash costs of \$0.32/lb of payable copper (net of by-product credits) – in the low first quartile
- After-tax IRR is at 27.1%
- Payback of 2.6 years

Mineral Reserves

| Probable Mineral Reserves | | | | | | |
|---------------------------|--------------|--------|--------|--------|----------|----------|
| | Tonnes (mln) | Cu (%) | Zn (%) | Pb (%) | Au (g/t) | Ag (g/t) |
| PFS ¹ | 43.0 | 2.32 | 3.24 | 0.57 | 0.49 | 36.02 |
| FS ² | 43.4 | 2.24 | 3.12 | 0.54 | 0.47 | 34.69 |
| Change | 0.9% | -3.4% | -3.7% | -5.3% | -4.1% | -3.7% |

| Contained Metal | | | | | | |
|------------------|--------------|---------------|---------------|---------------|---------------|---------------|
| | Tonnes (mln) | Cu (lbs, mln) | Zn (lbs, mln) | Pb (lbs, mln) | Au (oz, 000s) | Ag (oz, 000s) |
| PFS ¹ | 43.0 | 2,201 | 3,074 | 541 | 678 | 49,847 |
| FS ² | 43.4 | 2,145 | 2,988 | 517 | 656 | 48,410 |
| Change | 0.9% | -2.5% | -2.8% | -4.4% | -3.2% | -2.7% |

1. For more information on PFS and the mineral reserves associated with it please refer to the Company's technical report entitled "Arctic Project, Northwest Alaska, USA, NI 43-101 Technical Report on Pre-Feasibility Study" with an effective date of February 20, 2018
2. For more information on the FS and the current mineral reserves please refer to the appendix at the end of this presentation

Additional Inferred Resources of 3.5 Mt, with average grades of 1.71% Cu, 2.72% Zn, 0.60% Pb, 0.36 g/t Au and 28.69 g/t Ag.

Dilution increased by 5% resulting in slight decrease in head grades and contained metal – 2.8%



Operating Overview

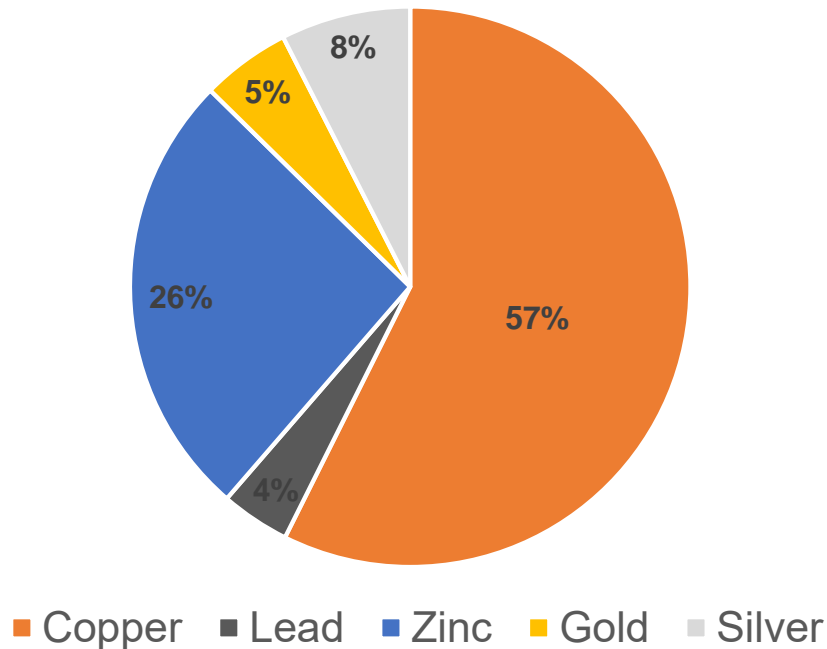
| | PFS | FS | % Change from PFS to FS |
|-----------------------------------|-----------|-----------|-------------------------|
| Mill Feed | | | |
| Total Tonnes Mined ('000't) | 340,109 | 342,068 | 1% |
| Total Tonnes to Mill ('000't) | 43,038 | 43,442 | 1% |
| Total Waste Tonnes Mined ('000't) | 297,071 | 298,626 | 1% |
| LOM (years) | 12 | 12 | 0% |
| Stripping Ratio (LOM) | 6.90 | 6.87 | 0% |
| Recoveries | | | |
| Copper Recovery | 90.0% | 89.9% | 0% |
| Lead Recovery | 80.0% | 79.0% | -1% |
| Zinc Recovery | 91.7% | 90.6% | -1% |
| Concentrate Tonnage | | | |
| Copper Concentrate ('000't) | 2,961 | 2,892 | -2% |
| Lead Concentrate ('000't) | 354 | 339 | -4% |
| Zinc Concentrate ('000't) | 2,163 | 2,077 | -4% |
| Recovered Payable Metal | | | |
| Copper ('000'lb) | 1,908,493 | 1,864,427 | -2% |
| Lead ('000'lb) | 405,727 | 388,406 | -4% |
| Zinc ('000'lb) | 2,399,128 | 2,304,277 | -4% |
| Gold ('000'oz) | 368 | 386 | 5% |
| Silver ('000'oz) | 40,238 | 40,586 | 1% |
| Metal Price | | | |
| Copper (\$/lb) | 3.00 | 3.00 | 0% |
| Lead (\$/lb) | 1.00 | 1.00 | 0% |
| Zinc (\$/lb) | 1.10 | 1.10 | 0% |
| Gold (\$/oz) | 1,300.0 | 1,300.0 | 0% |
| Silver (\$/oz) | 18.0 | 18.0 | 0% |

- No material changes in mining rates, recoveries and concentrate production
- Assumed same metal prices as what was used in the PFS

Arctic Producing Quality Concentrates

3 Separate High-Quality Concentrates

Percentage of Payable Metal
At Base Case Assumptions



Copper Concentrate

- **89.9% recovery**
- **30.3% concentrate grade**
- Cu payable 96.5%
- Ag 138 g/t (4.44 opt); Ag payable 90%
- No significant penalty metals

Zinc Concentrate

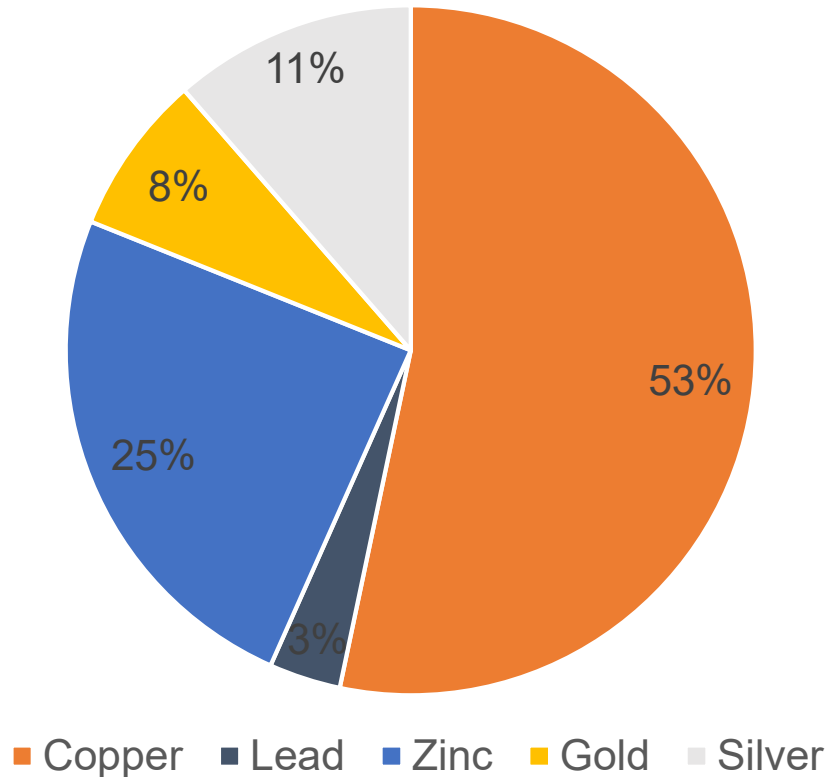
- **90.6% recovery**
- **59.2% concentrate grade**
- Zn payable 85%
- No significant penalty metals

Lead Concentrate

- **79% recovery**
- **55% concentrate grade**
- Pb payable 55% & 3% deduction
- Ag 2,806 g/t (90.22 opt); Ag payable 95%
- Au 37 g/t (1.2 opt); Au payable 95%

Leverage to Precious Metals

Percentage of Payable Metal at Current Spot Price Assumptions



At current spot metal prices of \$2.94/lb Cu, \$1.09/lb Zn, \$0.89/lb Pb, \$2,001/oz Au and \$28.89/oz Ag precious metals represent almost 20% of the revenue at Arctic

Operating Costs

| | PFS | FS | % Change from PFS to FS |
|---|---------|---------|-------------------------|
| Off-Site Operating Costs | | | |
| Royalties, Refining Charges, Penalties, Insurance, & Transport (\$ million) | 2,526.8 | 2,555.5 | 1% |
| On-Site Operating Costs | | | |
| Mining (\$/t milled) | 20.47 | 18.48 | -10% |
| Processing (\$/t milled) | 15.09 | 18.31 | 21% |
| G&A (\$/t milled) | 5.60 | 5.15 | -8% |
| Surface Service (\$/t milled) | 0.95 | 0.68 | -28% |
| Road Toll (\$/t milled) | 4.70 | 8.04 | 71% |
| Total Operating Cost (\$/t milled) | 46.81 | 50.65 | 8% |
| Total Operating Cost (\$ million) | 2,014.7 | 2,200.5 | 9% |
| Power cost (\$/kWh) | 0.17 | 0.24 | 41% |
| Diesel cost (\$/L) | 0.82 | 0.86 | 5% |

Slight increase in operating costs due to increase in processing costs and road tolls

Processing costs increases to \$18.31/tonne milled – power costs increased to \$8.18/tonne milled from \$5.23 tonne milled

Partly offset by reduction in mining costs which are \$2.76 per tonne mined (previously was \$3.09/tonne)

Power is generated by diesel generators not LNG

Increase in power generation capacity from 12.6 Mw to 16.0 Mw

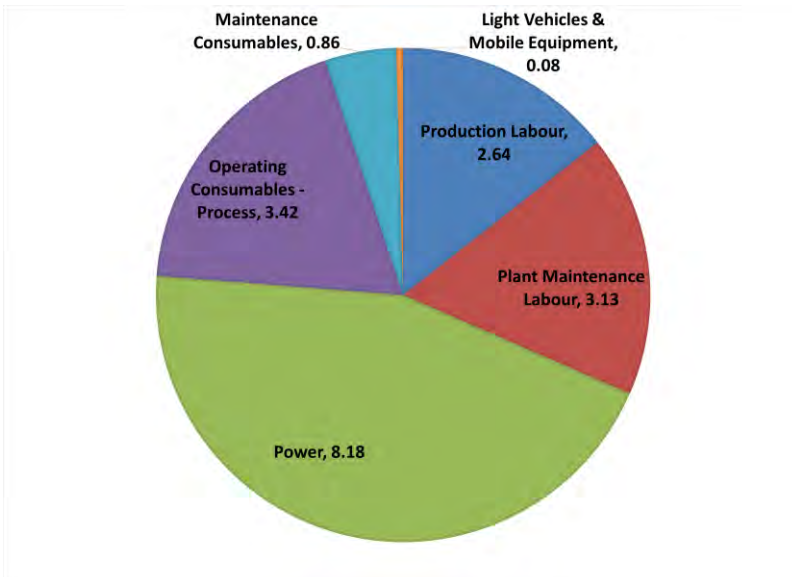
Road toll of \$8.04/tonne includes maintenance cost of \$2.50/tonne milled

Cu Treatment costs of \$85/tonne DMT of concentrate and refining costs of \$0.85/lb of payable copper

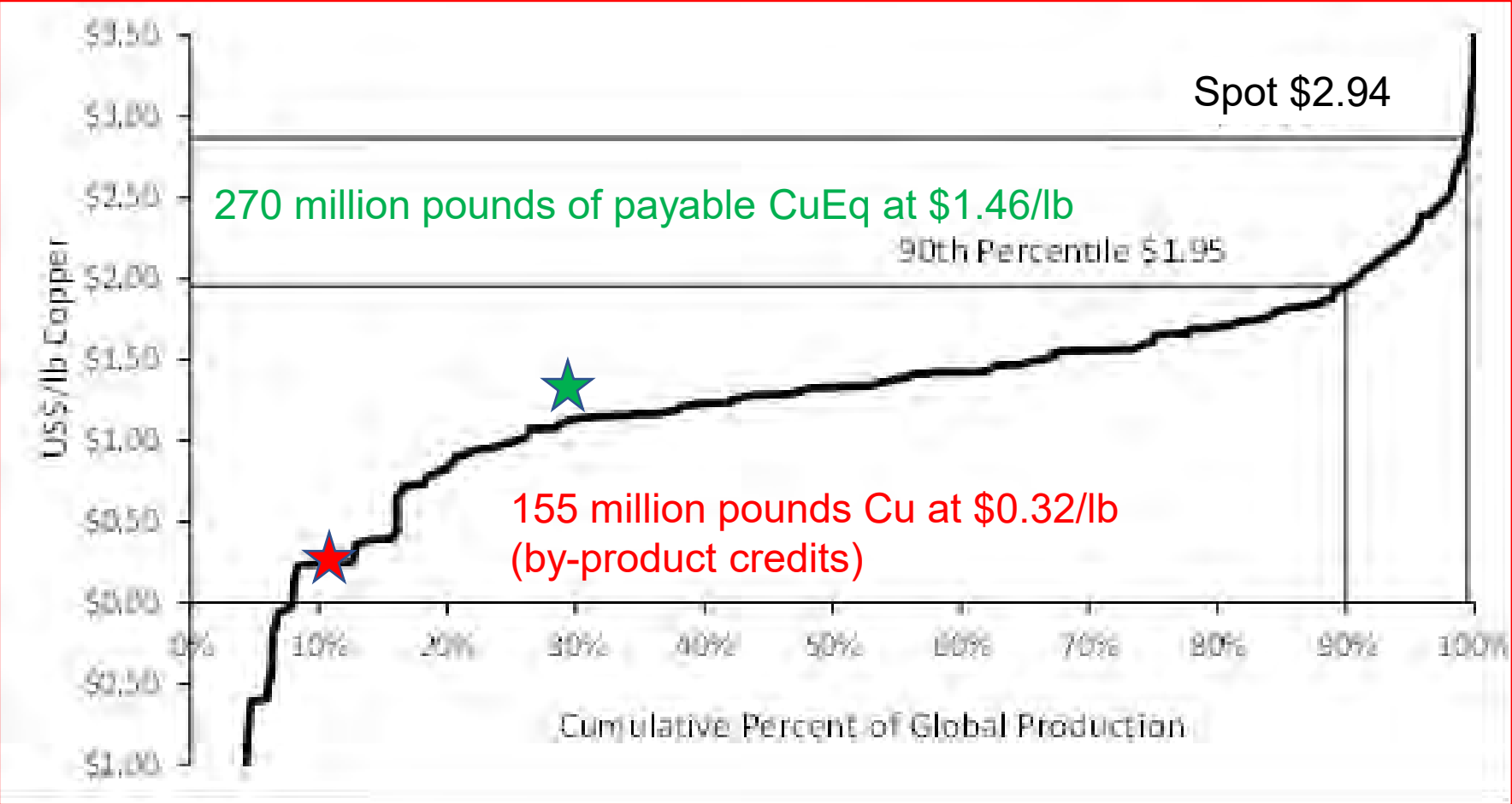
Zn Treatment costs of \$230/tonne DMT of concentrate

Transportation cost of \$270.98 per DMT of concentrate

FS Processing Costs - \$18.48/tonne milled



First Quartile Cash Costs



Total Capital Costs

Closure costs increased due to addition of water treatment plant after mine closure and additional costs for water management

Total capital costs increased by 34%



| Capital Expenditure | | | |
|---|-------|--------|------|
| Initial Capital (\$ million) | 779.6 | 905.6 | 16% |
| Sustaining Capital (\$ million) | 65.9 | 113.8 | 73% |
| Mine Closure & Reclamation (\$ million) | 65.3 | 205.4 | 214% |
| Total Capex (\$ million) | 910.8 | 1224.7 | 34% |

Capital Costs

| | PFS | FS | Difference |
|------------------------------|--------------|--------------|------------|
| Initial Mining Costs | | | |
| Mining | 281.1 | 260.8 | -7% |
| Crushing | 18.3 | 28.3 | 54% |
| Process | 113.8 | 116.6 | 2% |
| Tailings | 30.3 | 69 | 128% |
| On Site Infrastructure | 84.5 | 128.5 | 52% |
| Off Site Infrastructure | 15.6 | 53.7 | 243% |
| Indirect Costs | 137 | 150.9 | 10% |
| Owners Costs | 6.8 | 3.2 | -53% |
| Contingency | 92 | 94.5 | 3% |
| Total Initial Capital | 779.6 | 905.6 | 16% |

| Capital Expenditure | | | |
|---|--------------|----------------|------------|
| Initial Capital (\$ million) | 779.6 | 905.6 | 16% |
| Sustaining Capital (\$ million) | 65.9 | 113.8 | 73% |
| Mine Closure & Reclamation (\$ million) | 65.3 | 205.4 | 214% |
| Total Capex (\$ million) | 910.8 | 1,224.7 | 34% |

Initial Capital costs increased by 16%

Tailings dam costs increase but offset by standardization of mining fleet size

Sustaining capital costs increase due to changes in onsite infrastructure costs (sewage and wastewater systems, selenium treatment plant), tailings and ECPM costs

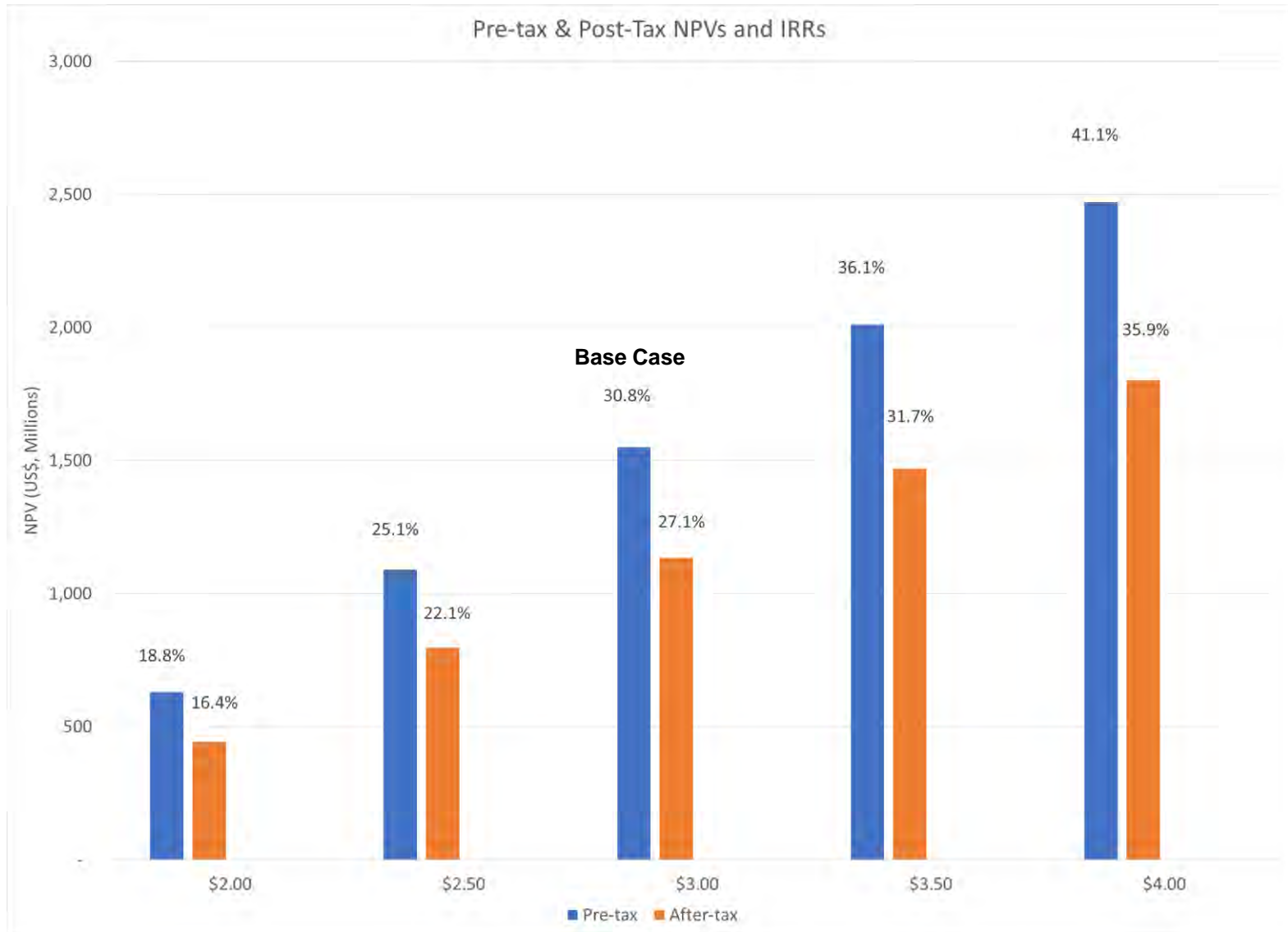
Tax

| | PFS | FS |
|---|---------|-------|
| Effective tax Rate | 24.5% | 25.7% |
| Total taxes (\$ million) | 1,162.0 | 925.0 |
| State of Alaska mining license tax (\$ million) | 212.4 | 151.5 |
| State of Alaska income tax (\$ million) | 333.7 | 269.0 |
| Federal income tax (\$ million) | 616.1 | 504.1 |

Assumptions:

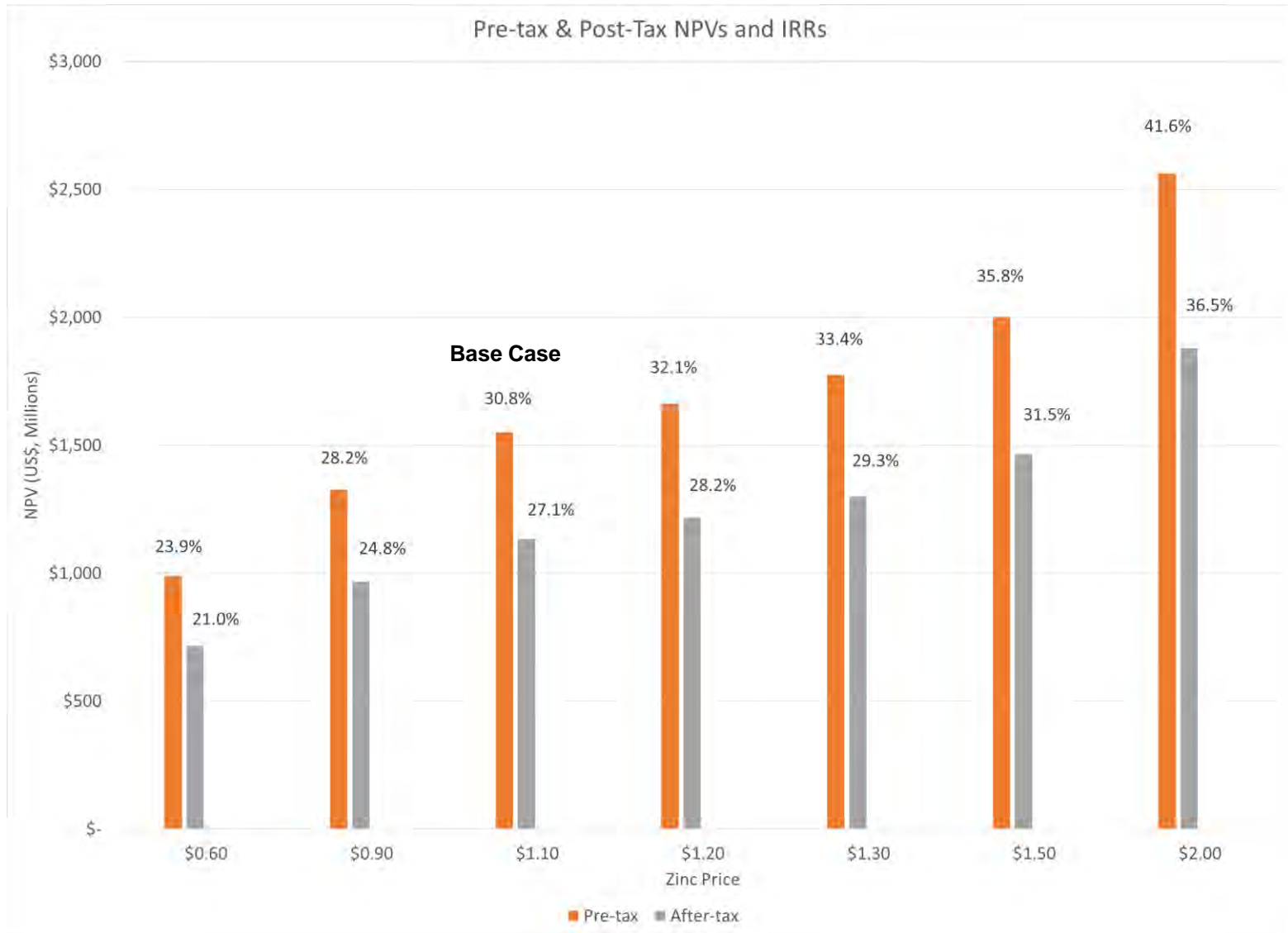
- Federal Tax rate at a flat rate of 21%
- AMT eliminated federal and state
- Alaska Mining License Tax rate based on the progressive tax rate (max rate of 7% for income excess of \$100,000)
- The project is eligible for an exemption from the mining license tax for 3.5 years after initial commercial production begins on the property
- Alaska State Tax rate based on the progressive tax rate (max rate of 9.40% for income excess of \$222,000)
- Assumes no opening tax basis

Sensitivity NPV - Copper



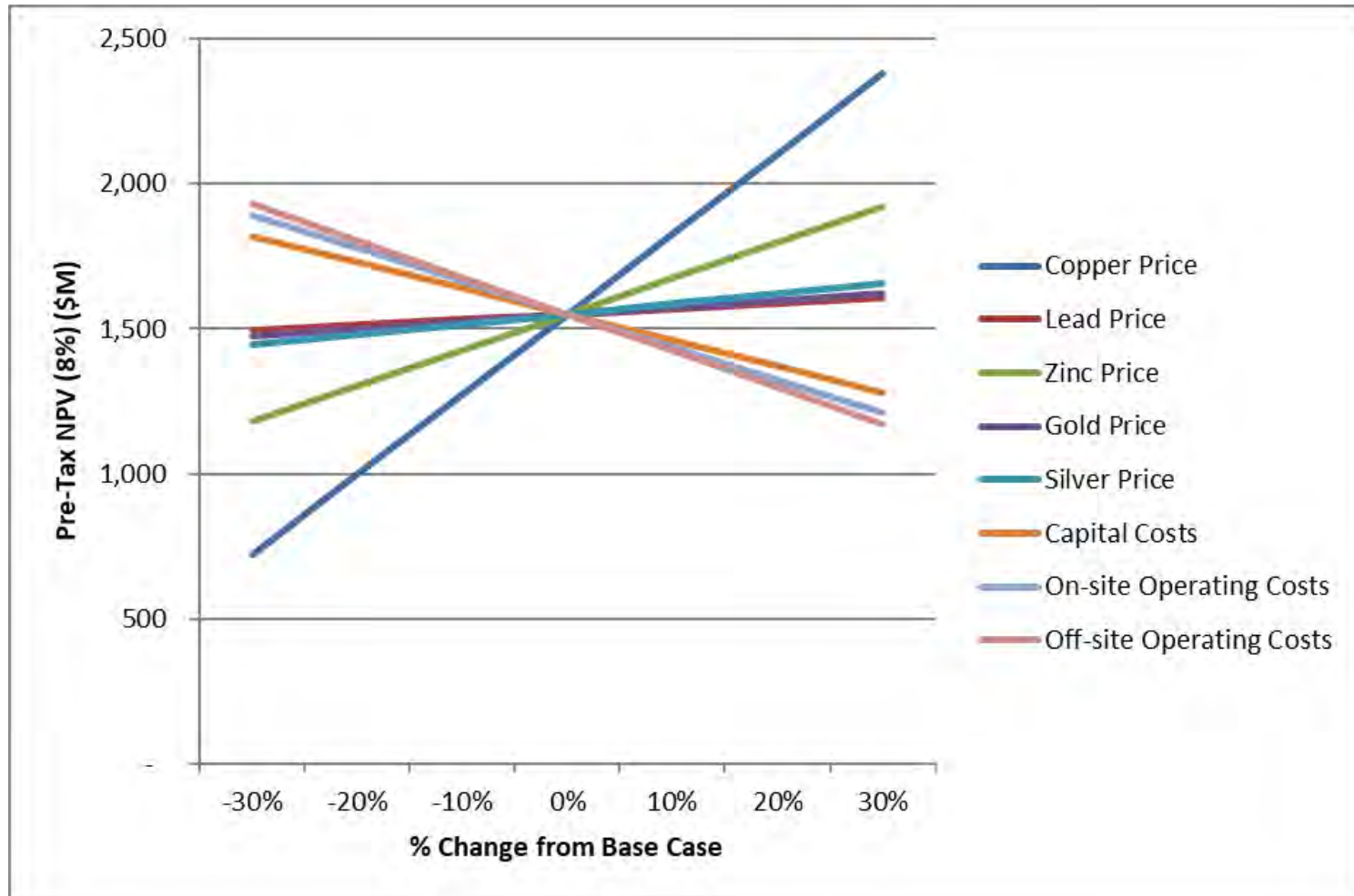
Assume Metal Prices of \$1.10/lb Zn, \$1.00/lb Pb, \$1,300/oz Au and \$18/oz Ag

Sensitivity NPV - Zinc

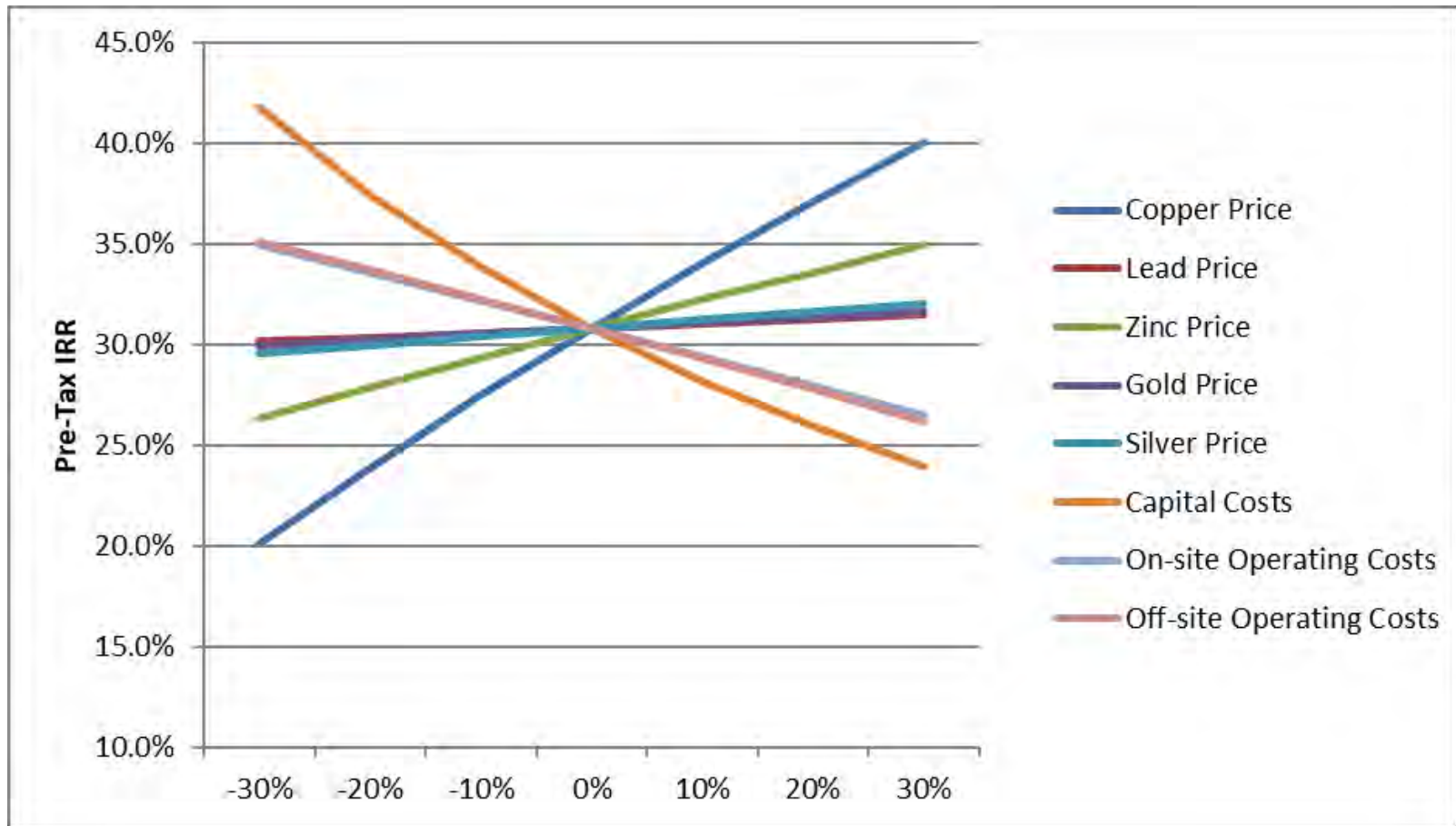


Assume Metal Prices of \$3.00/lb Cu, \$1.00/lb Pb, \$1,300/oz Au and \$18/oz Ag

Sensitivity Pre-tax NPV

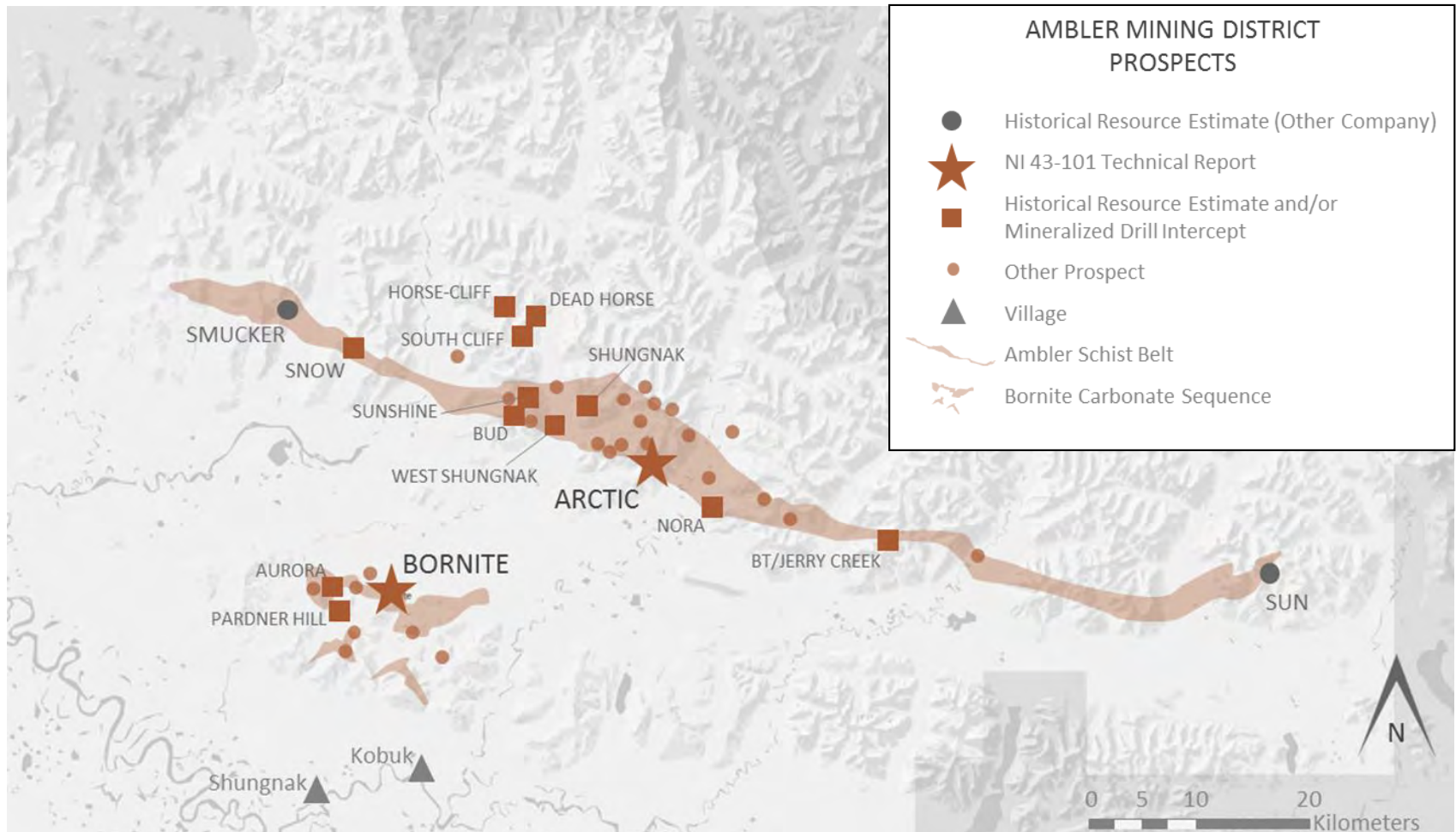


Sensitivity Pre-tax IRR



String of Pearls

Ambler mining district hosts deposits rich in copper, zinc, lead, gold and silver



Summary/Next Steps

- Feasibility study indicates robust economics
- Ambler Metals plans to drill 10,000 meters of infill drilling at Arctic next summer
- Pilot plant metallurgical work expected to be carried out at Arctic
- Additional exploration planned within the Ambler VMS Belt with the potential to provide additional feed to the Arctic plant
 - Sunshine, Center of the Universe and other targets
- Ambler Metals expected to utilize FS results to look at further trade-offs and optimization
- Receipt of the 404 Wetland permit for the AMDIAP (Ambler Road) is imminent, RoD has been already issued by the US BLM
- AIDEA has commenced initial work on the AMDIAP, engineering work expected to commence soon
- Close to hiring team for Ambler Metals JV



Questions?

Appendices

Qualified Person

Andrew W. West, Certified Professional Geologist, Exploration Manager for Trilogy Metals Inc., is a Qualified Person as defined by National Instrument 43-101. Mr. West has reviewed and verified the technical information in this presentation and approves the disclosure contained herein.

Additional Information

For additional information on the FS, including the qualified persons responsible for preparing the FS as well as additional information on QA/QC and data verification, please refer to the Company's press release dated August 20, 2020 entitled "Trilogy Metals Announces Positive Feasibility Study Results for the Arctic Project Located in Alaska, USA".

Mineral Resources for the Arctic Project

| | Cut-off | Tonnes | Cu (%) | Zn (%) | Pb (%) | Au (g/t) | Ag (g/t) | Cu (Mlbs) | Cu Eq ⁴ (Mlbs) | Tonnes Cu | Tonnes Cu Eq ⁴ |
|-----------|---------|------------|--------|--------|--------|----------|----------|-----------|---------------------------|-----------|---------------------------|
| Indicated | 0.5% Cu | 36,000,000 | 3.07% | 4.23% | 0.73% | 0.63 | 47.6 | 2,441 | 4,376 | 1,107,200 | 1,984,900 |
| Inferred | 0.5% Cu | 3,500,000 | 1.71% | 2.72% | 0.60% | 0.36 | 28.7 | 131 | 913 | 59,400 | 113,900 |

Notes:

- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources will be converted into Mineral Reserves.
- These resource estimates have been prepared in accordance with NI 43-101 and the CIM Definition Standard, unless otherwise noted.
- See numbered footnotes below on resource information.
- Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade and contained metal content.
- Tonnage and grade measurements are in metric units. Contained gold and silver ounces are reported as troy ounces; contained copper, zinc, and lead pounds as imperial pounds.
- g/t = grams per tonne
- All amounts are stated in U.S. dollars unless otherwise noted.

Resource Footnotes

- Resources stated as contained within a pit shell developed using metals prices of \$3.00/lb for copper, \$0.90/lb lead, \$1.00/lb zinc, \$1,300/oz gold, \$18/oz silver, mining costs of \$3.00/tonne, milling and G&A costs of \$35/tonne, metallurgical recoveries of 92% for copper, 77% for lead, 88% for zinc, 63% for gold, 56% for silver and an average pit slope of 43 degrees.
- Resources stated as contained within a pit shell developed using a metal price of \$3.00/lb for copper, mining costs of \$2.00/tonne, milling costs of \$11/tonne, G&A cost of \$5.00/tonne, 87% metallurgical recoveries and an average pit slope of 43 degrees.
- Mineral resources at a 1.5% cut-off are considered as potentially economically viable in an underground mining scenario based on an assumed projected copper price of \$3.00/lb, underground mining costs of \$65.00 per tonne, milling costs of \$11.00 per tonne, G&A of \$5.00 per tonne, and an average metallurgical recovery of 87%.
- The Arctic copper-equivalent resource is calculated using the following metal price assumptions: \$3.00/lb Cu, \$1.00/lb Zn, \$0.90/lb Pb, \$18.00 oz Ag, and \$1,300/oz Au. Calculation excludes any adjustments for metal recoveries. Net of by-product credit.

Mineral Resources for the Arctic Project

Definitions & Notes

Mineral Resources: “measured”, “indicated” and “inferred” mineral resources are estimated in accordance with the definitions of these terms adopted by the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) in November, 2010 updated in May 2014 and incorporated in National Instrument 43-101, Standards of Disclosure for Mineral Projects (“NI 43-101”), by Canadian securities regulatory authorities. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources will be converted to Mineral Reserves.

Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade and contained metal content. Tonnage and grade measurements are in metric units. Contained gold and silver ounces are reported as troy ounces; contained copper, zinc, and lead pounds as imperial pounds. All amounts are stated in U.S. dollars unless otherwise noted.

g/t = grams per tonne

Comments on Individual Projects

Arctic

Resources stated as contained within a pit shell developed using metal prices of \$3.00/lb for copper, \$1.00/lb for zinc, \$0.90/lb for lead, \$18.00/oz for silver, \$1,300/oz for gold, mining costs of \$3.00/tonne, milling and G&A costs of \$35/tonne, metallurgical recoveries of 92% for copper, 77% for lead, 88% for zinc, 63% for gold, 56% for silver and an average pit slope of 43 degrees.

Reserve Estimate for Arctic

| Category | Tonnage t x 1000 | Average Grade: | | | | |
|------------------------------------|---------------------|----------------|--------|--------|----------|----------|
| | | Cu (%) | Zn (%) | Pb (%) | Au (g/t) | Ag (g/t) |
| Proven Mineral Reserves | - | - | - | - | - | - |
| Probable Mineral Reserves | 43,442 | 2.24 | 3.12 | 0.54 | 0.47 | 34.69 |
| Proven & Probable Mineral Reserves | 43,442 | 2.24 | 3.12 | 0.54 | 0.47 | 34.69 |
| Waste within Designed Pit | 298,626 | | | | | |
| Total Tonnage within Designed Pit | 342,068 | | | | | |

Notes:

1. Reserves estimated assuming open pit mining methods and include a combination of planned and contact dilution. Total dilution is expected to be between 30% and 35%. Pit slopes vary by sector and range from 26° to 43°.
2. Reserves are based on prices of \$3.00/lb Cu, \$1.00/lb Pb, \$1.10/lb Zn, \$1300/oz Au and \$18/oz Fixed process recoveries of 91.2% Cu, 80.0% Pb, 91.0% Zn, 58.9% Au and 80.0% Ag
3. Mining costs: \$2.78/t incremented at \$0.02/t/5m and \$0.015/t/5m below and above 730m elevation respectively.
4. Processing costs: \$29.39/t. Include process operating cost: \$15.09/t, G&A: \$6.55/t, sustaining capital: \$1.53/t. closure cost: \$1.52/t, road toll: \$4.70/t.
5. Treatment costs of \$80/t Cu concentrate, \$180/t Pb concentrate and \$200/t Zn concentrate. Refining costs of \$0.08/lb Cu, \$10/oz Au, \$0.80/oz Ag. Transport cost \$270.38/t concentrate.
6. Fixed royalty percentage of 1% .
7. There is a risk to the mineral reserves if the toll road is not built in the time frame required for the Arctic Project, or if the toll charges are significantly different from what was assumed.
8. The presence of talc layers in the rock could affect recoveries in the process plant. To mitigate this risk the inclusion of a talc recovery circuit is considered in the process plant. Talc content per period has been estimated in the mine production schedule.
9. The geotechnical assumptions used in the pit design may vary in future assessments and could materially affect the strip ratio, or mine access design.
10. The Qualified Person for the reserves estimates is Antonio Peralta Romero P.Eng. who visited the project site in July 2017 as part of the data verification process.
11. The effective date of mineral reserves estimate is January 31, 2020.



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