

MARKET STATISTICS

Exchange / Symbol	NYSE: TMQ
Price:	1.55
Market Cap (\$mm):	\$218.0
Shares Outstanding (mm):	140.7
Float (%):	58%
Volume (3 month avg.):	295,533
52 week Range:	\$1.03-\$3.13
Industry:	Mining

CONDENSED BALANCE SHEET

(USD \$mm, except per share data)

Balance Sheet Date:	2/29/2020
Cash:	\$15.22
Cash/Share:	\$0.11
Debt:	\$0.0
Equity (Book Value):	\$190.6
Equity/Share:	\$1.36

CONDENSED INCOME STATEMENTS

(USD \$mm, except per share data)

FY - 11/30	Revenue	Net Income	EBITDA	EPS
FY17	\$0.0	\$(21.1)	\$(18.5)	\$(0.20)
FY18	\$0.0	\$(12.8)	\$(21.3)	\$(0.18)
FY19	\$0.0	\$(27.9)	\$(26.8)	\$(0.21)
FY20E	\$0.0	\$164.7	\$(6.5)	\$(1.11)

LARGEST SHAREHOLDERS

The Electrum Group, LLC	29,422,923
South32 Limited	16,413,493
Paulson & Co. Inc.	14,326,996
Selz Capital, LLC	13,093,262
The Baupost Group, LLC	12,182,568
PointState Capital LP	4,989,179
DW Partners LP	2,400,000
Governors Lane LP	1,858,839
Kingdon Capital Management, LLC	1,569,446

STOCK CHART



COMPANY DESCRIPTION

Trilogy Metals (NYSE: TMQ) is a base metals company that is committed to the exploration and development of the Upper Kobuk Mineral Projects located in the Ambler Mining District of Alaska. Trilogy's major projects are the Arctic copper-zinc-lead-gold silver project and the Bornite copper project. The Company and South32 Ltd. (ASX:S32) recently entered into a 50/50 joint venture called Ambler Metals LLC ("Ambler Metals"), which holds these assets. The Company was spun out of its parent company, NOVAGOLD LLC (NYSE: NG), in 2012 under the name NovaCopper and eventually changed the name to Trilogy Metals in 2016. Based out of Vancouver, Canada, the Company is currently working on expanding their mineral Resources and advancing their projects in Alaska.

SUMMARY

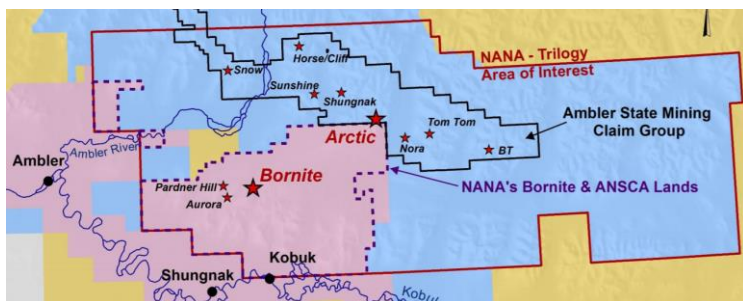
- Trilogy's Arctic copper-zinc-lead-gold-silver project has been surveyed and explored since 1967 and as of February 2018, Trilogy has announced positive pre-feasibility study results where a 10,000 tonnes per day (tpd) mine could have a mine life of 12 years and produce 159M lbs of copper, 199M lbs of zinc, 33M lbs of lead, 3.3M oz of silver and 30,600 oz of gold annually.
- The Company also owns 50% of the JV, Ambler Metals LLC, which owns 100% of the Bornite project and has returned impressive grades of copper and cobalt, which provides additional upside for resource growth. To this point, Trilogy has had to place limited resources into the Bornite project as an option agreement with South32 has provided most of the finances for the project.
- Both of Trilogy's projects are located in the Ambler Mining District of Alaska, which is a lower risk mining jurisdiction with support from the local government and NANA, a regional native corporation, as well as Alaska Industrial Development Corporation & Export Authority, a state owned infrastructure bank, to help construct a road from current infrastructure to Trilogy's assets.
- In April 2017, TMQ entered into an agreement with Australia's South32 which granted South 32 the option to purchase 50% of Trilogy's Alaskan assets in exchange for \$145M. South32 continued to keep this agreement in good standing by funding up to \$10M per year for up to a 3 year period. In December 2019, South32 exercised its option, which will decrease the capital needs of Trilogy going forward.
- The Company's Arctic project currently does not have road access, which is necessary to transport critical equipment to the site and haul out concentrates (copper, zinc and lead). In Q1 2020 the final EIS for the Ambler Mining District Industrial Access Project was completed and a record of decision is expected in Q2 2020, both important catalysts for the Company.
- Trilogy should continue to benefit from its copper rich assets as the demand for copper is expected to outpace supply over the long term.
- Trilogy has the support of a key Alaska native corporation, NANA, which greatly increases their chances of receiving all the necessary permits and permissions for building their operations.
- The Company has strong ownership from key shareholders and insiders. The top 4 shareholders consisting of Electrum Group (20.9%), Paulson & Co. (10.2%), Neuberger Berman (9.3%), and Baupost Group (8.66%) own approximately 49.9% of the shares outstanding.
- Based on our DCF and Comparable Companies analysis of TMQ, we arrive at a valuation range of \$2.01 to \$3.94, with a midpoint of ~\$2.90; see page 7 for further details.

BUSINESS OVERVIEW

Trilogy Metals is a development stage base metals company focused on developing their properties in the Ambler Mining District of Alaska. The Company owns 50% of a JV called Ambler Metals LLC, whose main assets consist of the Arctic deposit and the Bornite deposit, which, together, make up an area known as the Upper Kobuk Mineral Projects (UKMP).

Trilogy Metals was formerly a wholly-owned subsidiary of NOVAGOLD Resources Inc., a \$2.5B market cap exploration and development mining company. On March 28, 2012, the Company voted to spin out the Company's considerations in these assets in the UKMP as a return of capital to shareholders. In April 2020, the Company was officially spun out and shareholders of NOVAGOLD received one share of Trilogy for every 6 shares of NOVAGOLD held. Trilogy shares were listed on the Toronto Stock Exchange as well as the NYSE. In 2016, the Company changed its name from NovaCopper to Trilogy Metals.

Exhibit 1: Upper Kobuk Minerals Project



Source: Company Reports

The Company's flagship project is a high-grade copper-zinc-lead-silver-gold Arctic project in Alaska. Currently, the Arctic project is undergoing a feasibility study which will be followed by permitting. The Company has already completed a pre-feasibility study in 2018, which included a mine that would process 10,000 tonnes per day (tpd) with a mine life of 12 years and could produce 159M lbs of copper, 199M lbs of zinc, 33M lbs of lead, 3.3M oz of silver and 30,600 oz of gold annually.

In addition to the Company's Arctic deposit, the Company has also been working to develop their Bornite project. The Bornite project has already returned impressive grades of copper and cobalt and could be a large source of growth in reserves and resources for the Company. Trilogy is planning on continuing to develop this resource and conduct initial technical surveys.

In April 2017, Trilogy entered into an agreement with Australian mining company, South32. The agreement gave South32 an option to purchase 50% of Trilogy's UKMP assets. In order to keep the option in good standing, South 32 was required to contribute a minimum of \$10M a year for three years, then the option to form a JV with Trilogy was available by making a one-time payment of \$145 million. Since 2017, South 32 had kept the option in good standing and Trilogy used much of the capital contributed to explore Bornite. In December 2019, as the agreement was nearing

a close, South32 exercised their option six weeks early to purchase 50% of the assets in UKMP.

Pursuant to the option agreement, South32 and Trilogy entered into a joint venture (JV) that now owns the assets in the UKMP. The JV, Ambler Metals, LLC, is equally owned by South32 and Trilogy Metals.

There are several other large operators in Alaska including Kinross (NYSE: KGC) which operates Fort Knox, the biggest gold mine in Alaska, Hecla (NYSE: HL) which operates Greens Creek, the largest silver mine in the U.S. and Teck Resources (NYSE: TECK) which operates the Red Dog mine, the largest zinc producer in the U.S. Trilogy believes they can follow this model of profit producing miners in their UKMP assets.

The Company's interim CEO, James (Jim) Gowans, has extensive experience as an operator and senior executive in the mining industry. He was previously the CEO of Arizona Mining before it was purchased by South32 in 2018. Additionally, Jim has also been a senior adviser to the chair of the board at Barrick Gold, and held positions at DeBeers Canada and PT Inco in Indonesia. Mr Gowans brings not only experience but also an emphasis on corporate and social responsibility that is important when mining around indigenous areas of Alaska.

As of February 2020, the Company had announced the completion of the JV and transfer of assets to Ambler Metals, LLC. Trilogy Metals and Ambler Metals are both sufficiently funded for the foreseeable future.

Exhibit 2: Corporate Structure



Source: Company Reports

ARCTIC PROJECT

The Company's Arctic project located in the Ambler mining District of Alaska and consists of 1,869 contiguous claims including 905 40-acre state claims, 946 160 acre claims and 18 federal patent claims and comprises 75,192 hectares of land. The property was originally acquired by NOVAGOLD from Kennecott Exploration Company in 2004.

In February 2018, the Company reported Probable Reserves of 43Mt grading 2.32% Cu, 3.24% Zn, 0.73% pb, 0.63 g/t Au and 47.6 g/t Au. In addition the Company has Inferred resources of ~3.5Mt grading 1.71% Cu, 2.72% Zn, 0.60% Pb, 0.36 g/t Au and 28.7 g/t Ag.

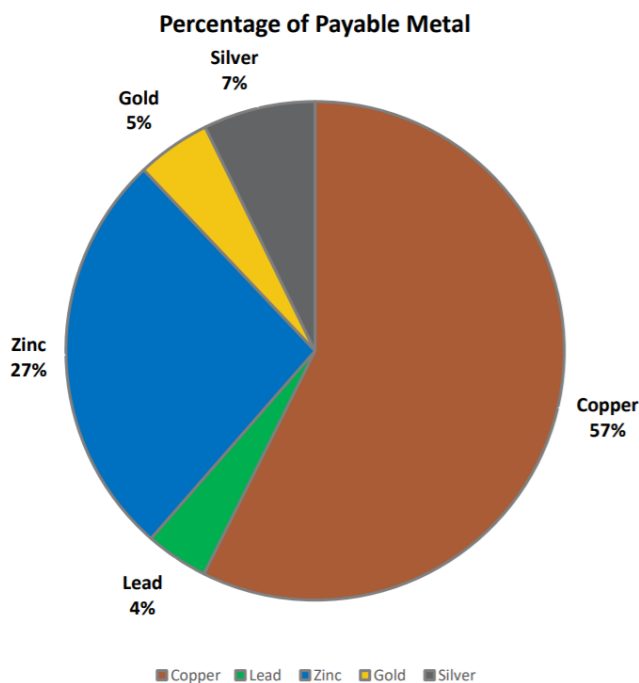
Exhibit 3: Resource Estimate for Arctic Project (2017 Technical Report)

Class	M tonnes	Average Grade:					Contained metal:				
		Cu %	Pb %	Zn %	Au g/t	Ag g/t	Cu Mlbs	Pb Mlbs	Zn Mlbs	Au koz	Ag Moz
Indicated	36.0	3.07	0.73	4.23	0.63	47.6	2441	581	3356	728	55
Inferred	3.5	1.71	0.60	2.72	0.36	28.7	131	47	210	40	3

Source: Company Reports

The Arctic project is a polymetallic Volcanogenic Massive Sulphide (VMS) deposit that contains one of the highest grades of copper in the world and was originally discovered in 1967. Approximately 41,745m of drilling in 184 holes has been completed since it was discovered. Although the deposit contains several other high value metals, ~60% of Trilogy's revenue would be derived from copper.

Exhibit 4: Payable Metals at Arctic Site



Source: Company Reports

In February 2018, Trilogy received the results of its pre-feasibility study on their Arctic project. The PFS was based on a conventional truck and shovel, single pit open mine. The mine would be capable of milling 10,000 tonnes per day. The sulfide flotation concentration circuit will produce copper, zinc, and lead recoveries of 90%, 91.7%, and 80% copper respectively. These recoveries would lead to an annual average payable production of ~159 mln lbs of copper, ~199 mln lbs of zinc, ~33 mln lbs of lead, ~3.3 Moz of silver and ~30.6 Koz of gold over a 12 year mine life. The PFS indicated a pre-tax net present value of \$1,9535.2 million with a pre-tax IRR of 38% based on the following:

Exhibit 5: PFS Inputs and Results

Pre-Feasibility Inputs and Economic Results	
Mine Life	12 Years
Mill Capacity	10,000 tpd
Strip Ratio (Waste/Ore)	6.9:1
Average Annual Production	159M lbs Cu 199M lbs Zn 33M lbs Pb 3.3M oz Ag 30,600 oz Au
Base Case Metal Prices	\$3.00/lb Cu \$1.10/lb Zn \$1.00/lb Pb \$18.00/oz Ag \$1,300/oz Au
Initial Capital Cost (\$ million)	\$779.6
Total Capital Cost (\$ million)	\$910.8
Operating Cost (\$/tonne milled)	\$46.81
Pre-Tax NPV (\$ million) at 8%	\$1,935.2
After-Tax NPV (\$ million) at 8%	\$1,412.7
Cash Costs, Net of By-Product Credits (\$/lb Cu Payable)	\$0.15
All-in Cost (\$/lb of Cu Payable)	\$0.63
Annual Free Cash Flow at Today's Metal Prices (\$ million)	~\$450
Capital Intensity Ratio (\$ Initial Capital/Tonne of Copper Equivalent)	\$6,203
After-Tax IRR (%) / Pre-Tax IRR	33.0/38.0
Payback Period - After-Tax (Years)	2.0

Source: Company Reports

Trilogy is in the process of conducting a feasibility study and is expected to release the results of their feasibility study in the first half of 2020. One additional major advantage to the Arctic mine is it is located on state and patented (private) lands meaning only one Federal permit, the 404 Wetlands Permit, is necessary for production. The 404 Wetlands Permit, which is granted by the U.S. Army Corp. of Engineers, only pertains to about 147 acres of low-grade wetlands. However, the Company would still need many state and borough permits and approvals.

As mentioned previously, the Arctic project is located in the Ambler Mining District in Alaska. This remote area currently does not have road access and all current equipment has been flown in or barged in. However, in order for the mine to be built and operational, this will require road access. Thus far, road access has been one of the main issues for the project. The Ambler Mining District Industrial Access Project (AMDIAP), or Ambler road, aims to solve that problem with a proposed 211-mile road that would link the Ambler area to necessary road, rail and port infrastructure.

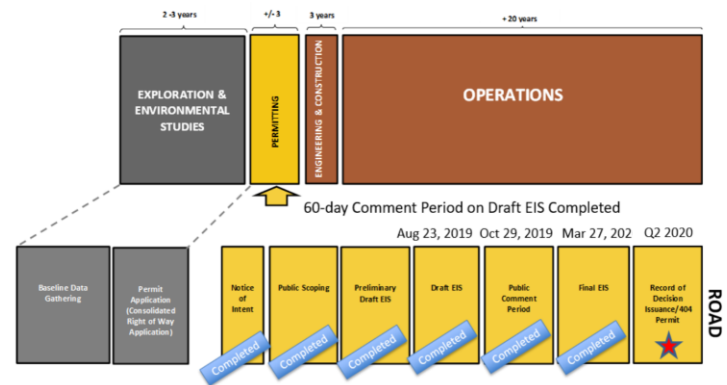
Exhibit 6: Proposed Road to Ambler



Source: Company Reports

Trilogy has an infrastructure partnership with the Alaska Industrial Development and Export Authority (AIDEA), which is a state owned infrastructure bank, to permit the road. Currently, several key steps have been taken to get the road permitted, including drafting the environmental impact statement (“EIS”) and the public comment period. The Company recently received the final EIS where the main issues have been related to public use of the road and impacts on fish and caribou. The AMDIAP Record of Decision and 404 Wetlands Permit issued by USACE are expected in Q2 2020. As of April 2020, Ambler Metals announced plans to conduct a 10,000 meter drilling program at the Arctic Project during the summer season in order to gather additional drill data for the conversion of resources to the measured category, the next phase of metallurgical studies, and geotechnical drilling for infrastructure placement. The drill program is expected to begin in mid-June and conclude at the end of August.

Exhibit 7: Road Progress



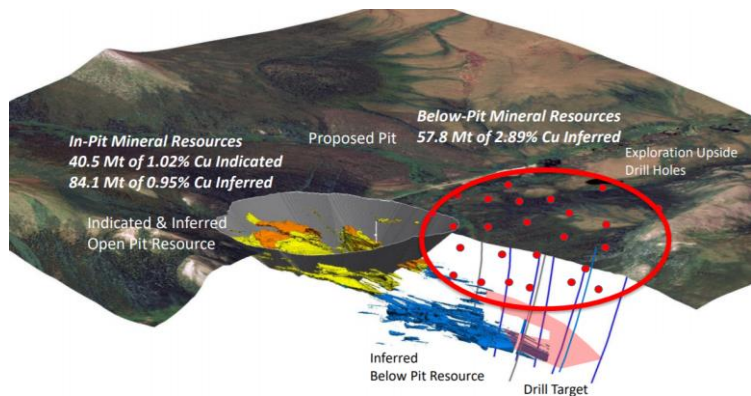
Source: Company Reports, Stonegate Capital

The proposed road would be paid for with a public-private partnership with AIDEA. Similar to the financial arrangement used to finance the Red Dog road and port in the late 1980s, this would not be a public access road. Instead, this road would be for mining and industrial use only and would charge a toll in order to pay back the investors on the project.

BORNITE

The Bornite project is also located in the Ambler Mining district of Alaska and has been explored since 1957. In all, 214 surface core holes and 51 underground core holes, totaling 104,587 meters have been drilled at the site from 1957 to present day. In the early 1990’s the previous owner, Kennecott, resumed their evaluation of the area after a hiatus and discovered additional high-grade copper mineralization. In addition to copper deposits, Bornite has also shown significant cobalt resources. The Bornite deposit will also require a road to become an operational mine. However, it does contain a potentially larger deposit than the Arctic project with the ability to grow overall resources dramatically, already showing six billion pounds of copper and 77 million pounds of cobalt. The 2020 field program at the Bornite Project will consist of geological mapping and geochemical soil sampling as well as review of drill core and surface exposures to determine controls on high grade zones of copper mineralization. There is no planned drilling at the Bornite Project in 2020, however, the geological database will be updated, and the team plans to identify priority drill targets for 2021.

Exhibit 8: Bornite Deposit



Source: Company Reports

We do not expect Bornite to produce any near-term revenues or significant catalysts, however, the potential for long term growth in resources is significant.

NANA AGREEMENT

NANA Regional Corporation is an Alaska native corporation created pursuant to the Alaska Native Claims Settlement Act of 1971. The for-profit corporation is owned by 14,300 Iñupiat shareholders who live or have roots in northwest Alaska. The NANA region encompasses roughly 38,000 square miles including parts of the UKMP. NANA owns a family of companies that are leaders in engineering, construction, and IT. These companies typically provide support to resource development throughout northwest Alaska. Because of NANA's relationship with the native people of Alaska, their support is very important when creating infrastructure or developing new projects in the area.

In 2011, Trilogy signed an agreement with NANA to allow Trilogy to crossover and explore NANA lands. The agreement consisted of Trilogy paying a \$4.0M cash payment and making additional scholarship payments to NANA in exchange for Trilogy's non-exclusive right to explore the Bornite lands and to construct or utilize any temporary roads, camps, airstrips and other incidental works. These types of agreements have a precedent of success as evidenced by the Red Dog lead-zinc mine in NW Alaska.

The Agreement also establishes a framework for continued development and eventual production on the lands. If Trilogy or the newly formed Ambler Metals LLC. decides to proceed with the development of a mine, NANA maintains the right to purchase an ownership interest in the mine equal to a range of 16%-25% or a 15% net profits interest royalty which is only payable after Trilogy has recouped certain historical costs including cost of capital and production. If NANA does elect to purchase an ownership interest in the mine consideration would be paid equal to the percentage interest in the project multiplied but the difference between all costs incurred by Trilogy and South32 and \$40 million. This payment would be due in cash and the parties would then enter in JV at that time. Lastly, Trilogy would be responsible for paying a net smelter royalty payment of 1%-2.5% depending on the location of the land. A net smelter royalty is the gross profit of revenue received from selling the metals and the costs associated with transportation and refining. The following is a breakdown of the royalty agreements:

- Arctic: 1% NSR to NANA; 1% NSR to Osisko Royalties (Available to buy back for \$10M)
- Bornite: 2% NSR to NANA
- ANCSA Lands: 2.5% to NANA

Exhibit 9: NANA Area and the UKMP



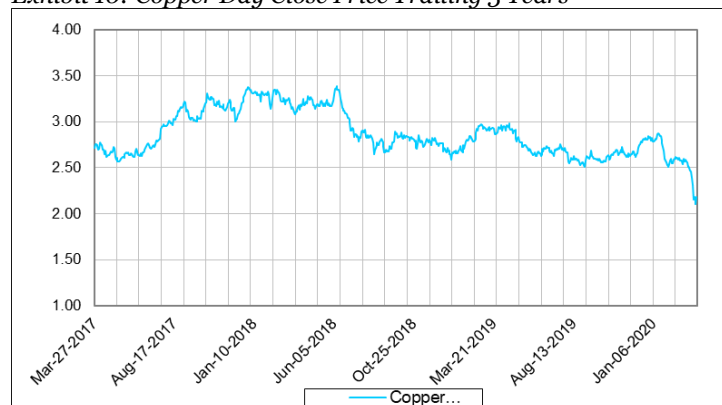
Source: NANA

INDUSTRY OVERVIEW

The main product from Trilogy's mines will be copper. Copper is a reddish orange, soft metal that is malleable and an excellent conductor of heat and electricity. However, if exposed to water and air, copper will slowly begin to corrode. Since the element is such a good conductor of electricity, Copper's most common uses are in electrical wiring, motors and industrial machinery. Additionally, copper is also used in plumbing, cookware, cooking utensils and roofing.

The price of copper in 2020 has fallen sharply from \$2.82/lb at the beginning of January to 2.22 as of 3/24/20. Copper prices have fallen dramatically due to the outbreak of the novel COVID-19 virus. Copper prices fluctuate in response to perceived future demand. As the COVID-19 virus has halted production of the vast majority of businesses, expected demand for copper, and thus price have fallen. According to the International Copper Study Group (ISCG) Asia is the largest user of copper in the world by region. Coincidentally, this where the virus first began its assault on communities. Although China is now beginning to resume working, the lockdown and halting of businesses has dramatically impacted copper demand.

Exhibit 10: Copper Day Close Price Trailing 3 Years



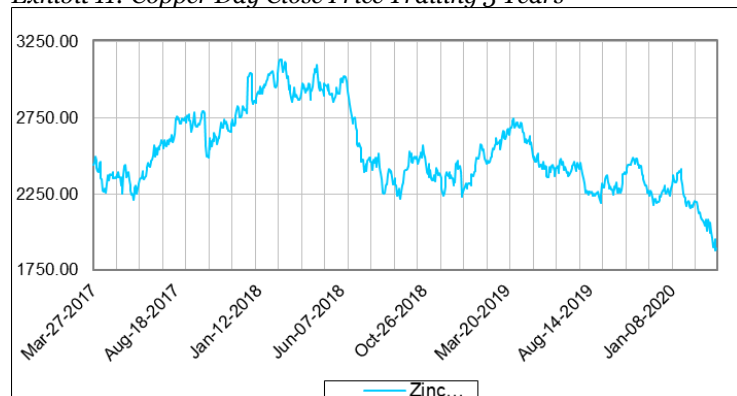
Source: Capital IQ

The biggest copper producing companies in the world consist of Freeport-McMoRan (NYSE: FCX), Codelco, and Glencore International (LSE: GLEN). The three companies combined to produce 5.3 mmts in 2018. Despite such large production of other elements, Alaska is not currently a significant producer of copper.

In addition to Copper, the next highest revenue of the Arctic project would come from Zinc. Zinc is currently the fourth most widely consumed metal in the world after iron, aluminum, and copper. It has strong anticorrosive properties, which gives rise to the process of zinc galvanizing, or adding a thin layer of zinc to iron or steel to prevent rusting. The next leading use of zinc is as an alloy. Zinc is combined with copper to form brass which is used in automobiles, electrical components and household fixtures.

Much like Copper, Zinc prices have also been impacted by the COVID-19 virus. Much of the usual demand that comes from Asia has been significantly reduced. Zinc prices have dropped 16.8% from January 2020 to March 2020. Due to the rapid growth of the virus, Fitch Solutions has decreased their forecasted price from \$2,450/tonne to \$2,250/tonne for 2020.

Exhibit 11: Copper Day Close Price Trailing 3 Years



Source: Capital IQ

Some of the biggest Zinc producers in the world consist of Korea Zinc Group, Nyrstar, and Hindustan Zinc. These three combined to produce almost 3,000 kt of zinc annually. In addition to these companies, Teck's Red Dog mine in Alaska is one of the world's largest producers of zinc. The Red Dog Mine is located in

northwest Alaska. The Red Dog mine produced 553 kt of Zinc in 2019.

RISKS

As with any investment, there are certain risks associated with Trilogy's operations as well as with the surrounding economic and regulatory environments common to the mining industry. While we believe these are the largest risks to the business, the list is not exhaustive.

- Commodity prices such as copper, zinc, lead, silver, and gold may fluctuate and have a large impact on the Company's cash flows. Sustained low prices of commodities may have an adverse impact on the Company's share price and ability to raise capital.
- The Company has no history of net income, dividends, or cash flow and there can be no assurance that the Company will be profitable going forward. In the case that the Company cannot create enough revenue to sustain on-going business activities, Trilogy's only source of financing will be through the sale of existing securities, high cost borrowing, or sale of its mineral properties.
- Mineral Reserves and Resources and grades are estimates only. There are many uncertainties in estimating mineral quantities of mineral Reserves and Resources that may cause actual results and quantities to differ from those estimated. In the event that these resources are less bountiful than anticipated, the mine life and cash flow could be severely reduced.
- Electrum Strategic Opportunities Fund currently owns 21% of the shares outstanding. Electrum will have significant influence on any matters that come to a vote. Additionally, if Electrum decides to liquidate its shares, there could be an adverse impact on the share price.
- The Company intends to take the Arctic project to the production stage; however, this will require additional permits and licenses from governmental authorities. The Company currently believes they will have the ability to obtain all of these permits and licenses, however, this cannot be assured.
- The Company's operations are subject to several federal, state, and local government regulations and laws concerning environmental protection, management of natural resources, exploration and development of mineral properties, taxation and royalties, labor standards and occupational health and safety regulations. Failure to comply with any of these regulations could result in fines or criminal penalties
- Although current operations for Trilogy have not been impacted by the COVID-19 outbreak, the State of Alaska health department has recommendations and restrictions on travel. It is possible that that current or additional restrictions may significantly impact the Company's ability to complete scheduled work plans as well as extend the timeline of previously mentioned activities.

VALUATION

To help frame our valuation, we have created a discounted cash flow (DCF) analysis of the open pit operation at Arctic. Our valuation involves forecasting the net free cash flow generation from the mine over the 12-year estimated life of the project expected to begin at the end of 2025. Our cash flow projections are based on conservative assumptions supported by the Company's most recent technical report. The drivers for our model include tonnes milled, mineral grades of copper, zinc, gold, silver and lead and recovery percentages over the life of the mine.

In our DCF model we assume that the initial capital cost of the mine will be \$780 million, in line with the Company's assumptions. We assume that NANA will opt into receiving 15% net proceeds royalty as opposed to taking a 16%-25% interest in the mine. Additionally, we assume that Trilogy will purchase back the net smelter royalty from Osisko Royalties at a cost of \$10 million.

At a full production we have assumed the following:

- Mining beginning end of 2025
- 3.6 million tonnes processed annually at peak production
- Head Grades:
 - Copper 2.32%
 - Zinc 3.24%
 - Lead 0.57%
 - Gold 0.49 g/t
 - Silver 36.0 g/t
- Prices:
 - Copper: \$3.00/lb
 - Zinc: \$1.10/lb
 - Lead: \$1.00/lb
 - Gold: \$1450/oz
 - Silver: \$17.50/oz
- Operating costs of \$46.81 per tonne milled

Given that the company is far from production, with a few hurdles yet to complete we have applied a median discount rate at 10%. The chart below demonstrates sensitivity to a change in copper price from the \$3.00/lb selected in our model.

Exhibit 12: Sensitivity Analysis

		Long Term Copper Price				
		2.00	2.50	3.00	3.50	4.00
Discount Rate	8.0%	2.20	2.94	3.68	4.42	5.16
	9.0%	1.92	2.59	3.27	3.94	4.62
	10.0%	1.67	2.29	2.90	3.52	4.13
	11.0%	1.45	2.01	2.58	3.14	3.70
	12.0%	1.26	1.77	2.29	2.80	3.32

Source: Stonegate Capital Partners

We note that this valuation does not include any potential future cash flows that could be derived from the Bornite project. Given we expect some future value from Bornite, we expect Trilogy could trade at the higher end of this range.

BALANCE SHEET
Trilogy Metals (NYSE: TMQ)
Consolidated Balance Sheets (USD\$000s)
Fiscal Year: December

ASSETS	FY 2017	FY 2018	FY 2019	Q1 2020
Current Assets				
Cash and Cash Equivalents	\$ 5.39	\$ 22.99	\$ 19.17	\$ 15.22
Accounts Receivable	0.47	0.02	0.26	0.42
Deposits and Prepaid Amounts	0.72	0.62	0.72	0.30
Current Investments	2.52	-	-	-
Total Current Assets	9.10	23.63	20.16	15.94
Rent Deposit	0.11	0.11	0.11	-
Equity Method Investment	-	-	-	175.82
Plant and Equipment	0.48	0.33	0.72	0.26
Mineral Properties and Development Costs	30.59	30.59	30.63	0.55
Total Assets	\$ 40.28	\$ 54.66	\$ 51.62	\$ 192.56
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Amounts Payable and Other Liabilities	\$ 4.25	\$ 1.66	\$ 2.35	\$ 1.27
Current Portion of Lease Liability	-	-	-	0.14
Total Current Liabilities	\$ 4.25	\$ 1.66	\$ 2.35	\$ 1.41
Long Term Liabilities				
Long-term Portion of Lease Liability	\$ -	\$ -	\$ -	\$ 0.51
Mineral Properties Purchase Option	10.37	20.80	31.00	-
Total Liabilities	\$ 14.61	\$ 22.46	\$ 33.35	\$ 1.92
Shareholders' Equity				
Share Capital				
Issued	136.53	164.07	177.97	178.31
Warrants	2.16	2.25	-	-
Contributed Surplus	0.12	0.12	0.12	0.12
Contributed Surplus - Options	18.40	19.08	21.12	22.27
Contributed Surplus Units	1.32	1.49	1.76	1.47
Defecit	(132.87)	(154.81)	(182.71)	(11.53)
Total Shareholders' Equity (deficit)	\$ 25.67	\$ 32.20	\$ 18.26	\$ 190.64
Total Liabilities and Shareholders' Equity	\$ 40.28	\$ 54.66	\$ 51.62	\$ 192.56
Ratios				
Liquidity				
Current Ratio	2.1X	14.3X	8.6x	11.3X
Quick Ratio	1.4X	13.9X	8.3x	11.1X
Total Liabilities to Total Assets	36.3%	41.1%	64.6%	1.0%

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENTS
Trilogy Metals (NYSE: TMQ)
Consolidated Statements of Income (in millions \$, except per share amounts)
Fiscal Year: December

	FY 2017	FY 2018	FY 2019	FY 2020E
Expenses				
Amortization	0.11	0.16	0.21	0.11
Foreign Exchange (Gain) Loss	(0.40)	(0.03)	(0.02)	-
General and Administrative	1.39	1.53	1.84	1.40
Investor Relations	0.35	0.41	0.62	0.37
Mineral Properties Expense	15.10	16.49	19.21	1.75
Professional Fees	0.71	0.45	1.38	1.57
Salaries	0.98	1.47	1.31	0.52
Salaries - Stock based Compensation	0.71	1.44	3.85	2.45
Total operating expenses	18.93	21.92	28.41	8.16
Other Items				
Gain on derecognition of Assets Contributed to JV	-	-	-	(175.77)
Share of loss on Equity Investment	-	-	-	3.4
Loss (gain) on held for Trading Investments	2.23	0.27	-	-
Loss on Disposal of Equipment	0.01	-	-	-
Interest and other Income	(0.1)	(0.3)	(0.5)	(0.5)
Comprehensive Loss	\$ 21.1	\$ 21.8	\$ 27.9	\$ (164.7)
Basic EPS (loss) from Continuing Operations	\$ (0.20)	\$ (0.18)	\$ (0.21)	\$ 1.16
Diluted EPS (loss) from Continuing Operations	\$ (0.20)	\$ (0.18)	\$ (0.21)	\$ 1.11
Basic Shares Outstanding	105.1	121.8	135.2	141.7
Diluted Shares Outstanding	105.1	121.8	135.2	148.7
EBITDA	\$ (18.5)	\$ (21.3)	\$ (26.8)	\$ (6.5)
Growth Rate Analysis Y/Y				
Total revenues	N/A	N/A	N/A	N/A
Amortization	N/A	49.5%	31.9%	-50.2%
Foreign Exchange (Gain) Loss	N/A	-93.4%	-26.9%	-100.0%
General and Administrative	N/A	10.6%	20.0%	-23.8%
Total operating expenses	N/A	15.8%	29.6%	-71.3%
Net income	N/A	10.6%	-15.0%	-663.2%
EPS - fully diluted	N/A	10.6%	-15.0%	-663.2%
Share count - fully diluted	N/A	15.9%	11.0%	10.0%

Source: Company Reports, Stonegate Capital Partners estimates

IN THE NEWS

February 2020 – Trilogy announced that Ambler Metals LLC has recently approved the 2020 program and budget of USD 22.8 million for the advancement of the Upper Kobuk Mineral Projects ("UKMP") located in Northwestern Alaska.

February 2020 – Company announced the completion of the formation of a 50/50 joint venture with South32 Limited. The joint venture company is named Ambler Metals LLC. Ambler Metals is an independently operated company controlled by Trilogy and South32 through a four member Board of Directors.

January 2020 – Company provided an update on its current corporate and project activities. On December 19, 2019 the Company and its Joint Venture partner, South32 Limited announced that South32 had exercised its option to acquire a 50% interest in a joint venture company ('Joint Venture') that will own the Upper Kobuk Mineral Projects ('UKMP') located in northwest Alaska.

November 2019 – Company announced the second and final set of assay results from this summer's exploration diamond drilling program at the Sunshine prospect, which is part of the Company's Upper Kobuk Mineral Projects located in the Ambler mining district of Northwest Alaska.

October 2019 – Company announced the second and final set of assay results from this summer's exploration diamond drilling program at the Bornite Project, which is part of the company's Upper Kobuk Mineral Projects located in the Ambler mining district of Northwest Alaska.

September 2019 – Trilogy announces the first set of assay results from this summer's exploration diamond drilling program at the Bornite Project and the Sunshine prospect, which are part of the Company's Upper Kobuk Mineral Projects ("UKMP") located in the Ambler mining district of Northwest Alaska.

CORPORATE GOVERNANCE

James Gowans –Interim President, CEO - Jim is currently interim President and Chief Executive Officer of Trilogy Metals. He was previously the president, CEO and a director of Arizona Mining Inc. from January 2016 until it was purchased by South32 Limited in August 2018. He was senior advisor to the chair of the board of Barrick Gold Corporation from August to December 2015, co-president from July 2014 to August 2015 and executive vice-president and COO from January to July 2014. He served as managing director of the Debswana Diamond Company in Botswana from 2011 to 2014. He has extensive experience as a senior executive in the mining industry, including holding executive positions at DeBeers SA, DeBeers Canada Inc. and PT Inco in Indonesia, and with Placer Dome Ltd. Mr. Gowans is the past chair of the Mining Association of Canada. He has extensive mining knowledge and perspective on the importance of corporate social responsibility and brings human resources experience as a former vice-president, human resources at Placer Dome.

Elaine Sanders –Chief Financial Officer and Corporate Secretary - Elaine is Chief Financial Officer and Corporate Secretary of Trilogy Metals and has more than 20 years of experience in audit, finance, and accounting with public and private companies. She has been involved with numerous financings and acquisitions, and has listed companies on both the TSX and AMEX. Elaine is responsible for all aspects of financial services, financial reporting, and corporate governance. She holds a Bachelor of Commerce degree from the University of Alberta and is a Chartered Accountant.

Robert Jacko– Senior Director, Operations - Bob is Senior Director, Operations of Trilogy Metals and has more than 35 years of experience in both underground and open pit operations within North America. Bob is a mining engineer with extensive experience in mine start-ups, project development, mature operations and closure. In the past eight years, Bob has focused on engineering oversight working on a variety of preliminary economic assessments, pre-feasibility studies and feasibility studies for mining projects. Prior to that, Bob's positions included but not limited to, Vice President and General Manager, Projects for Thompson Creek Metals Inc., General Manager at the Pogo Mine in Alaska, General Manager at Red Dog Operations, Mine Manager at the Polaris Mine and Mine Manager at the Sullivan Mine.

Patrick Donnelly – Vice President, Corporate Communications & Development - Pat Donnelly is Vice President, Corporate Communications & Development for Trilogy Metals and has a broad range of experience in mineral exploration, capital markets, corporate development and investor relations. He began his career as a project geologist 25 years ago exploring for precious and base metals and diamonds in western and northern Canada. Subsequently, Pat worked for a Canadian securities firm as a base metals mining analyst. Between 2012 and 2014 Mr. Donnelly was the Vice-President of Corporate Communications for Trilogy Metals. Most recently he was the President of First Mining Gold Corp. where he played a key role. Pat holds a B.Sc. in Geology (Honors) from the University of British Columbia and has an MBA from the University of Toronto.

Board of Directors:

Janice Stairs – *Chairman*

Jim Gowans – *Director*

Tony Girardini – *Director*

Kalidas Madhavpeddi – *Director*

William Hayden – *Director*

William Hensley – *Director*

Gregory Lang - *Director*

Diana Walters - *Director*

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