

The Report presents Mineral Resource and Mineral Reserve estimates for the Project, and an economic assessment based on open pit mining operations and a conventional processing circuit that would produce copper, zinc and lead concentrates.

All units of measurement in this Report are metric, unless otherwise stated. The monetary units are in US dollars, unless otherwise stated.

### 1.3.2 Mineral Resources and Reserves

Mineral Resources and Mineral Reserves are reported in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (May 2014; the 2014 CIM Definition Standards).

## 1.4 Property Description and Location

The Arctic Project is located in the Ambler mining district (Ambler Mining District) of the southern Brooks Range, in the Northwest Arctic Borough (NWAB) of Alaska. The Property is geographically isolated with no current road access or nearby power infrastructure. The Project is located 270 km east of the town of Kotzebue, 37 km northeast of the village of Kobuk, and 260 km west of the Dalton Highway, an all-weather state-maintained highway.

NovaGold Resources Inc. (NovaGold) acquired the Arctic Project from Kennecott Exploration Company and Kennecott Arctic Company (collectively, Kennecott) in 2004. In 2011, NovaGold transferred all copper projects to NovaCopper Inc. and spun-out NovaCopper to its then existing shareholders in 2012. NovaCopper Inc. subsequently underwent a name change to Trilogy Metals Inc. in 2016. Under the Kennecott Purchase and Termination Agreement, Kennecott retained a 1% net smelter return (NSR) royalty that has been subsequently sold by Kennecott. The 1% NSR runs with the lands and is purchasable at any time from the royalty holder for a one-time payment of \$10 million.

The Project is directly held by Ambler Metals LLC (Ambler Metals), a 50/50 joint venture formed between South32 Limited (South32) and Trilogy Metals Inc. (Trilogy Metals) in February 2020. Upon the formation of the joint venture, Trilogy Metals contributed all of its Alaskan assets, including the Project and Trilogy's agreement with NANA (see below), to Ambler Metals in exchange for a 50% membership interest and at the same time, South32 contributed \$145 million in cash for a 50% membership interest.

Ambler Metals holds approximately 185,805 acres (75,192 ha) of State of Alaska mining claims and US Federal patented mining claims in the Kotzebue Recording District. The Arctic Project land tenure consists of 1,851 contiguous State mining claims, including 905 40-acre claims, 946 160-acre claims, and 18 Federal patented claims comprising 271.9 acres (110 ha) held in the name of Ambler Metals.

Surface use of the private land held as Federal patented claims is limited only by reservations in the patents and by generally-applicable environmental laws. Surface use of State claims allows the owner of the mining claim to make such use of the surface as is "necessary for prospecting for, extraction of, or basic processing of minerals."

The NANA Regional Corporation, Inc. (NANA) controls lands granted under the Alaska Native Claims Settlement Act (ANCSA) to the south of the Project boundary. Ambler Metals and NANA are parties to an agreement (the NANA Agreement) that consolidates the parties' land holdings into an approximately 172,675 ha land package and provides a framework for the exploration and development of the area. The NANA Agreement has a term of 20 years, with an option in favour of Ambler Metals to extend the term for an additional 10 years. If, following receipt of a feasibility