MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE MONTHS ENDED MARCH 31, 2020

TREVALI

This Management's Discussion & Analysis ("MD&A") is dated as of May 13, 2020 and should be read in conjunction with the condensed interim consolidated financial statements and notes thereto for the three months ended March 31, 2020 and the audited consolidated financial statements and notes thereto for the year ended December 31, 2019. In this MD&A, a reference to "Trevali", the "Company" or "our" refers to Trevali Mining Corporation and its subsidiaries. Additional information about Trevali, including the Annual Information Form and Management's Discussion and Analysis for the year ended December 31, 2019, is available on SEDAR at www.sedar.com.

This MD&A contains certain forward-looking information and forward-looking statements. Please refer to the cautionary language under the heading "Notes to Reader".

FINANCIAL AND OPERATIONAL HIGHLIGHTS FOR THE FIRST QUARTER 2020

- **Total Recordable Incident Frequency has decreased 47%** to the comparative quarter in 2019 due to the focus on fatal risk controls. Proactive measures have been taken at operations to safeguard employees and communities amidst the COVID-19 pandemic, allowing us to continue operating.
- **Mitigation strategies implemented at all operations ensured that production continued with minimal interruption** despite travel and government-imposed restrictions due to COVID-19.
- **Accelerated T90 business improvement program** targeting the overall reduction in AISC[1] to $0.90/lb by 2021, a year earlier than originally planned. Of the original target of $50 million in annualized sustainable efficiencies, the program has delivered $30 million at the end of the first quarter.
- **Undertaking immediate cost reductions that will preserve $41 million in liquidity in 2020** across sustaining and expansionary capital, exploration and operating expenditures.
- **Zinc payable production of 99 million pounds at a C1 Cash Cost[1] of $0.96/lb and AISC[1] of $1.10/lb.** Excluding Caribou, which was placed on care and maintenance in the quarter in response to the current business environment, zinc production of 83.6 million payable pounds at a C1 Cash Cost[1] of $0.86/lb and AISC[1] of $0.99/lb.
- **Fixed-pricing arrangement increased Q1 revenues by $8.0 million at Santander and Caribou**. A further gain of $2.3 million was recorded to Other Income in respect of Caribou's April and May fixed-pricing quantities that will not be delivered and will be financially settled.
- **Adjusted EBITDA[1] of ($6.6) million** due to low zinc price (quarterly average of $0.97/lb) and reduced sales volumes at 91.1 million pounds of zinc payable due to the timing of shipments at Rosh Pinah.
- **A net non-cash impairment of $137.4 million was recorded relating to Caribou and Santander operations and exploration properties in Canada and Namibia** as a result of the adverse change to the business environment caused by COVID-19 and placing Caribou on care and maintenance.
- **Obtained a covenant waiver extension of existing financing covenants to May 31, 2020.** Engaged RBC Capital Markets to conduct a strategic review process that will explore financing alternatives.

		Q1'20	Q4'19	Q1'19	Q1'20 vs Q4'19	Q1'20 vs Q1'19
Zinc payable production	Mlbs	99.0	104.8	100.6	–6%	–2%
Lead payable production	Mlbs	10.7	13.8	11.5	–22%	–7%
Silver payable production	Moz	0.3	0.4	0.4	–25%	–25%
Revenue	$	51,952	91,466	125,213	–43%	–59%
Adjusted EBITDA[1]	$	(6,646)	20,364	52,025	–133%	–113%
Net (loss) income	$	(175,605)	(3,833)	16,116	4481%	–1190%
Net (loss) income per share	$	(0.22)	0.00	0.02	–100%	–1200%
C1 Cash Cost[1]	$/lb	0.96	0.86	0.95	12%	1%
AISC[1]	$/lb	1.10	1.02	1.07	8%	3%
Sustaining capital expenditure	$	12,628	15,752	10,238	–20%	23%
Exploration expenditure	$	3,164	2,755	2,484	15%	27%

Conversion of tonnes to pounds, 1 tonne = 2,204.62 pounds or lbs.

Q1'19 revenue has been restated to reflect the Company's change in accounting policy as disclosed in the December 31, 2019 Consolidated Financial Statements.

[1] *See "Use of Non-IFRS Financial Performance Measures".*

BUSINESS OVERVIEW

Trevali is a global base-metals mining company, headquartered in Vancouver, Canada. The bulk of the Company's revenue is generated from base-metals mining at its three operational assets: the 90%-owned Perkoa Mine in Burkina Faso, the 90%-owned Rosh Pinah mine in Namibia, and the wholly owned Santander mine in Peru. In addition, Trevali owns the Caribou mine, Halfmile and Stratmat properties and the Restigouche deposit in New Brunswick, Canada, and the past producing Ruttan mine in northern Manitoba, Canada. The Caribou mine was placed on care and maintenance on March 26, 2020. Trevali also owns an effective 44% interest in the Gergarub project in Namibia, as well as an option to acquire a 100% interest in the Heath Steele deposit located in New Brunswick, Canada. The shares of the Company are listed on the TSX (symbol TV), the OTCQX (symbol TREVF), the Lima Stock Exchange (symbol TV), and the Frankfurt Exchange (symbol 4TI). For further details on Trevali, readers are referred to the Company's website (www.trevali.com) and to Canadian regulatory filings on SEDAR at www.sedar.com.

T90 PROGRAM

In November 2019, Trevali launched the T90 business improvement program which originally targeted a reduction in AISC[1] to $0.90 per payable pound of zinc by the beginning of 2022 through achieving annual sustainable efficiencies of $50 million. In response to current market conditions as a result of the COVID-19 pandemic, in the first quarter of 2020 the scope of cost benefits under the T90 business improvement program have been accelerated and expanded.

The result of the actions undertaken in response to the decline in the zinc price is an acceleration of the T90 business improvement program to reach an AISC[1] of $0.90 per pound by the beginning of 2021, a full year earlier than originally planned. As of the date of this MD&A, the program has delivered $30 million of annualized efficiencies.

2020 COST REDUCTIONS

In addition to the initiatives being pursued through the T90 business improvement program, Trevali is undertaking immediate cost reductions in 2020 that will preserve $41 million in liquidity. While the T90 business improvement program is focused on recurring annual efficiencies, these cost reductions are one-time events, including:

- **Sustaining and Expansionary Capital ($33 million):** Sustaining and expansionary capital expenditures in 2020 will be reduced to approximately $36 million. Trevali's operations have been well capitalized in recent years, creating an opportunity to defer $17 million in sustaining capital costs while ensuring operations are maintained to a high standard. $10 million relates to sustaining capital at Caribou that under care and maintenance will not be spent and expansionary capital will be reduced by $6 million.
- **Exploration Program ($8 million):** The 2020 exploration budget will be reduced to $4 million. The T3 drill program at Perkoa and the Santander Pipe infill drilling program, including the internal preliminary economic assessment, will be paused.
- **Development Project Capital**: Trevali expects to publish the Rosh Pinah 2.0 Expansion Project pre-feasibility study in Q2 2020. The investment decision initially planned for 2020 is being deferred and will be evaluated in the future.

[1] See "Use of Non-IFRS Financial Performance Measures".

(in United States dollars, tabular amounts in thousands except where noted)

FINANCIAL AND OPERATIONAL SUMMARY

The following table sets forth selected consolidated financial information and the payable sales of zinc for each of the eight most recently completed quarters:

	Q1'20	Q4'19	Q3'19	Q2'19	Q1'19	Q4'18	Q3'18	Q2'18
Revenues	51,952	91,466	87,135	82,297	125,213	121,763	73,095	151,593
Zinc sales (Mlbs payable)	91	110	111	93	125	124	76	114
EBITDA[1]	(174,888)	19,611	12,945	(7,443)	46,674	(271,499)	(22,401)	58,785
Adjusted EBITDA[1]	(6,646)	20,364	22,487	17,558	46,455	39,416	21,249	83,039
Net (loss) income	(175,605)	(3,833)	(16,131)	(31,563)	16,116	(251,778)	(30,846)	23,454
Net (loss) income per share – basic and diluted	(0.22)	0.00	(0.02)	(0.04)	0.02	(0.29)	(0.04)	0.03
Adjusted (loss) income per share[1]	(0.01)	0.00	(0.01)	(0.01)	0.02	0.01	(0.04)	0.02

Revenue for amounts in the table above have been restated for comparative periods to reflect the Company's change in accounting policy.

Revenues and Adjusted EBITDA[1] have declined over the last eight quarters, primarily due to the declining prices of zinc and lead. The significant effect of the COVID-19 pandemic on commodity prices negatively impacted Revenue and Adjusted EBITDA[1] in Q1 2020.

Adjusted EBITDA[1] was ($6.6) million in Q1 2020 compared to $20.4 million in the prior quarter, primarily due to sequencing changes in the mine plan at Caribou resulting in lower zinc and lead sales volumes, lower sales volumes at Rosh Pinah due to timing of shipments and declining commodity prices and increased concentrate treatment charges. The decline in Adjusted EBITDA[1] was partially offset by lower operating costs and royalties.

Net loss in Q1 2020 was $175.6 million or ($0.22) per share, compared to a net income of $16.1 million or $0.02 per share for the same period a year ago. The increase in loss per share during Q1 2020 is largely attributable to the net non-cash impairment charge of $137.4 million related to the Caribou and Santander mines and exploration assets in Canada and Namibia.

		Q1'20	Q4'19	Q1'19	Q1'20 vs Q4'19	Q1'20 vs Q1'19
Production						
Ore mined	t	761,354	790,927	772,372	–4%	–1%
Ore milled	t	779,754	822,278	769,568	–5%	1%
Zinc head grade		7.9%	7.8%	8.2%	1%	–4%
Lead head grade		1.3%	2.0%	1.5%	–35%	–13%
Silver head grade	(ozs/t)	1.2	1.3	1.4	–8%	–14%
Zinc recovery		87.4%	88.2%	86.9%	–1%	1%
Lead recovery		68.8%	69.5%	65.0%	–1%	6%
Silver recovery		46.4%	47.4%	46.4%	–2%	0%
Zinc payable	Mlbs	99.0	104.8	100.6	–6%	–2%
Lead payable	Mlbs	10.7	13.8	11.5	–22%	–7%
Silver payable	Moz	0.3	0.4	0.4	–25%	–25%
Sales						
Zinc payable	Mlbs	91.1	110.4	125.4	–17%	–27%
Lead payable	Mlbs	5.8	14.8	10.0	–61%	–42%
Silver payable	Moz	0.2	0.3	0.4	–33%	–50%
Cost per unit						
C1 Cash Cost[1]	$/lb	0.96	0.86	0.95	12%	1%
AISC[1]	$/lb	1.10	1.02	1.07	8%	3%

[1] *See "Use of Non-IFRS Financial Performance Measures".*

Quarterly zinc payable production decreased by 6% to 99.0 million pounds compared to the prior quarter, and a 2% decrease from the comparative quarter in 2019. Ore tonnes milled at Rosh Pinah and Perkoa improved significantly, while lower grade ore was milled as lower grade material was mined in accordance with the mine plans. At Caribou, a change in the mine sequence following a fall of ground resulted in significantly lower production volumes in the quarter as compared to the prior quarter and Q1 2019. At Santander, higher grades were attributed to continued improvement with dilution control as well as higher grade ore access developed in accordance with the mine plan.

Sales in Q1 2020 were 91.1 million pounds of payable zinc, 27% lower than the comparative quarter in 2019 primarily due to the timing of shipments of concentrate from Rosh Pinah. Lead payable sales for Q1 2020 were 42% lower than the comparative quarter in 2019 primarily due to the timing of lead shipments at Caribou.

Q1 2020 C1 Cash Cost[1] and AISC[1] are broadly in line with the same period of the prior year. Decreases in operating costs as a result of reduced costs and greater efficiencies, including those realized as part of the T90 business improvement program offset the increase in zinc concentrate smelting and refining charges.

The increase in C1 Cash Cost[1] of $0.96 per pound as compared to $0.86 per pound in the prior quarter reflects lower production volumes, reduced by-product revenue attributed primarily to lower lead volumes due to timing of shipments at Caribou and Rosh Pinah, partially offset by reducing costs including those realized as part of the T90 business improvement program. AISC[1] in Q1 2020 was $1.10 per pound, a $0.08 per pound increase from the prior quarter for the same reasons explained for the C1 Cash Cost[1] partially offset by lower sustaining capital expenditures.

Excluding Caribou, zinc production in Q1 2020 was 83.6 million payable pounds at a C1 Cash Cost[1] of $0.86 per pound and AISC[1] of $0.99 per pound compared to $0.82 per pound C1 Cash Cost[1] and $0.98 per pound AISC[1] in the prior quarter and $0.93 per pound C1 Cash Cost[1] and $1.04 per pound AISC[1] in the comparative quarter in 2019, respectively. Zinc production excluding Caribou in the prior quarter and comparative quarter in 2019 was 85.9 and 82.8 million payable pounds, respectively.

2020 GUIDANCE & OUTLOOK

With enhanced safety measures in place at Trevali's operations to mitigate the impacts of COVID-19, the governments of Burkina Faso, Namibia, and Peru have provided special dispensations to allow for their continued operation. Perkoa and Rosh Pinah are operating at full capacity while at Santander, mining continues but processing activities have been impacted due to supply chain constraints under the extension to the national emergency declared in Peru. Operations at Caribou was placed into care and maintenance on March 26, 2020 due to the weakened zinc market.

The extent and duration of impacts that COVID-19 may have on demand and prices for zinc and lead, on the Company's suppliers and employees and on global financial markets over the remainder of the year and going forward is not known at this time but could be material. As a result, all previously issued 2020 annual guidance has been and remains suspended.

In the context of COVID-19 and current market conditions, Trevali has intensified and accelerated the T90 business improvement program. In addition to the T90 business improvement program, Trevali is implementing further cost reductions in 2020, including reductions in sustaining and expansionary capital expenditures, exploration, operating costs, and development project capital.

The Santander Pipe infill drilling program, including the internal preliminary economic assessment, will be paused. Trevali still plans on publishing the RP2.0 Expansion Project pre-feasibility study in Q2 2020, though the investment decision initially planned for 2020 is being deferred and will be evaluated in the future.

The short-term outlook for the zinc market has changed significantly during Q1 2020. At the start of the year, it was expected that the concentrate market would be in surplus over the coming years with demand for refined metal growing slightly in 2020 and refined stocks remaining below historic levels, lending support to zinc prices.

[1] See "Use of Non-IFRS Financial Performance Measures".

(in United States dollars, tabular amounts in thousands except where noted)

During Q1 2020, the London Metals Exchange (“LME”) zinc price averaged $0.97 per pound, a decline of 10% over the previous quarter and a reduction of 21% over the same quarter in 2019. As at March 31, 2020 the spot LME zinc price was $0.85 per pound, reflecting the rapid decline in economic industrial activity and demand for refined metal in the short term as a result of COVID-19.

The rapid rise of the COVID-19 pandemic in Asia resulted in extended shutdowns of smelters and Chinese mine production. As Q1 2020 progressed, Chinese smelting production and economic activity was reported to have increased from lows reached in February, while mine production curtailments resulting from measures to combat the spread of COVID-19 in Europe and the Americas accelerated. As a result, the concentrate market surplus has reduced more rapidly than expected and has led to reduced spot zinc concentrate treatment charges to date in Q2 2020.

During April, it is estimated that up to approximately 25% of global zinc mine supply was curtailed or suspended as a result of government restrictions and operating and supply chain disruptions due to COVID-19. In addition, according to data from Wood Mackenzie, approximately 20% of global mine production has a C1 cash cost above $0.85 per pound of zinc. The significant curtailment of global mine production should provide fundamental support for zinc prices over the course of 2020 and lower spot treatment charges than Q1 2020, as management believes demand will outweigh supply as global economic activity resumes.

In the first quarter of 2020, total global exchange inventories were up 154,000 tonnes to an estimated 6 days of global consumption, or 233,000 tonnes, well below historical averages of 18 days of consumption, which is also supportive of higher zinc prices.

OPERATIONS REVIEW

Consolidated Revenues

		Q1’20	Q4’19	Q1’19	Q1'20 vs Q4'19	Q1'20 vs Q1'19
Revenues						
Zinc revenue	$	88,439	117,406	154,749	–25%	–43%
Lead and silver revenue		8,390	21,278	15,643	–61%	–46%
Smelting and refining costs		(44,877)	(47,218)	(45,179)	–5%	–1%
Net revenue	$	51,952	91,466	125,213	–43%	–59%
Average zinc LME price	$/lb	0.97	1.08	1.23	–10%	–21%
Average lead LME price	$/lb	0.83	0.92	0.92	–10%	–10%
Average silver LBMA price	$/oz	16.93	17.33	15.57	–2%	9%
Sales quantities						
Payable zinc	Mlbs	91.1	110.4	125.4	–17%	–27%
Payable lead	Mlbs	5.8	14.8	10.0	–61%	–42%
Payable silver	Mozs	0.2	0.3	0.4	–33%	–50%

Revenue amounts in the table above have been restated for Q1’19 to reflect the Company’s change in accounting policy.

The average zinc price in Q1 2020 as quoted on the LME of $0.97 per pound declined by 10% when compared to the previous quarter and 21% compared to Q1 2019. The price of lead also declined by 10% over both comparative periods.

Payable zinc sales declined by 17% over the prior quarter to 91.1 million pounds, which when combined with the reduction in zinc prices resulted in a 25% reduction in zinc revenues to $88.4 million in Q1 2020. The reduction in payable zinc sales, which are recognized upon shipment of concentrate from the loading port, was due to the timing of shipments from Rosh Pinah and lower production and shipments from Caribou.

(in United States dollars, tabular amounts in thousands except where noted)

Lead and silver revenues of $8.4 million declined by 61% from the prior quarter as a result of lower sales quantities and the lower price of lead in the quarter. The lower sales quantities of lead in Q1 2020 was a result of the timing of lead shipments from Rosh Pinah, which typically has two lead shipments that are expected in the second and fourth quarters for the current year. The timing of lead shipments from Caribou in Q1 2020 was also negatively affected by the closure of Glencore's Belledune smelter in Q4 2019.

Settlement Mark-to-Market

		Zinc	Lead
Spot 3–month future price as at December 31, 2019	$/lb	1.04	0.88
Provisionally priced metal – December 31, 2019	Mlbs	147.4	5.9
Average 3–month future price for December 2019	$/lb	1.03	0.87
Average Q1 LME price	$/lb	0.97	0.84
Provisionally priced metal – March 31, 2020	Mlbs	65.2	5.8
Average 3–month future price for March 2020	$/lb	0.87	0.79
Spot 3–month future price as at March 31, 2020	$/lb	0.85	0.78

All of the Company's zinc and lead concentrate sales contracts provide for final commodity pricing in a future month nominated at the time of shipment and based on quoted LME monthly average zinc and lead prices. The Company recognizes revenues at the time of shipment based on estimated final pricing, with mark-to-market adjustments made each subsequent period until final pricing on the date of settlement. Concentrate smelting and refining charges and freight from the loading port to the receiving smelter are included within smelting and refining costs, and negotiated annually at market-related rates, other than freight costs from the Perkoa mine which are negotiated quarterly.

The ($15.6) million settlement mark-to-market for Q1 2020 primarily reflects the decrease in the estimated final zinc pricing from $1.03 per pound to $0.87 per pound at March 31, 2020 compared to the average zinc prices during Q4 2019 and Q1 2020 of $1.08 and $0.97 per pound, respectively. This is also impacted by the quantity of provisionally priced metal at various stages during the quarter and the timing of sales weighted towards the end of the quarter with 59% of Q1 2020 sales occurring during the month of March.

Each $0.05 change in the zinc price per pound realized from the provisional price recorded of $0.87 per pound as at March 31, 2020 is estimated to result in a change of approximately $3.3 million on the 2020 settlement mark-to-market and EBITDA[1].

A fixed zinc pricing arrangement was entered into in November 2019 for 70% of the zinc concentrate produced at Caribou and Santander and for a six-month period covering December 2019 to May 2020 at a price of $1.10 per pound. Management decided to fix the zinc price at the two higher cost operations when the opportunity arose with the strengthening of the zinc price in November 2019.

As a result of the fixed pricing arrangement which covered January to March 2020, net income for Q1 2020 was $8.0 million higher. In addition, as a result of the move to care and maintenance status at Caribou, zinc concentrate will not be delivered into the above fixed pricing arrangement for April and May 2020 and the arrangement was financially settled resulting in a $2.3 million benefit that has been recorded in Other Income.

[1] *See "Use of Non-IFRS Financial Performance Measures".*

(in United States dollars, tabular amounts in thousands except where noted)

PERKOA MINE, BURKINA FASO

		Q1'20	Q4'19	Q1'19	Q1'20 vs Q4'19	Q1'20 vs Q1'19
Production						
Ore mined	t	193,033	181,165	190,891	7%	1%
Ore milled	t	186,154	189,740	173,473	–2%	7%
Zinc head grade		12.8%	14.0%	13.5%	–9%	–5%
Zinc recovery		91.0%	93.9%	89.7%	–3%	1%
Zinc concentrate grade		53.2%	52.0%	50.0%	2%	6%
Zinc payable	Mlbs	40.6	46.2	39.0	–12%	4%
Sales						
Zinc payable	Mlbs	38.8	47.3	54.4	–18%	–29%
C1 Cash Cost[1]	$/lb	0.92	0.83	1.04	11%	–12%
AISC[1]	$/lb	1.00	0.90	1.11	11%	–10%
FINANCE						
Revenues, net[2]	$	20,048	33,365	52,975	–40%	–62%
Mine operating expenses		20,616	23,607	33,814	–13%	–39%
Adjusted EBITDA[1]		(568)	9,758	19,161	–106%	–103%
Other expense (income)		16,621	(3,138)	3,717	630%	347%
EBITDA[1]		(17,189)	12,896	15,444	–233%	–211%
Depreciation, depletion & amortization		5,387	7,769	9,838	–31%	–45%
EBIT[1]	$	(22,576)	5,127	5,606	–540%	–503%

[2] *Q1'19 has been restated to reflect the Company's change in accounting policy as disclosed in the December 31, 2019 Financial Statements.*

Payable zinc production for Q1 2020 was 40.6 million pounds, a 12% reduction over the prior quarter and a 4% improvement over the corresponding quarter in 2019. The reduction in payable zinc production from Q4 2019 is primarily a result of reduced zinc head grade as lower grade stopes were mined in accordance with the mine plan. Payable zinc production increased by 4% over Q1 2019 as the lower head grades were more than offset by strong production levels. Improved zinc recoveries compared to Q1 2019 have been sustained following the modification of the existing flotation circuit to pre-float iron prior to the flotation of zinc during Q2 2019. The resulting benefits of decreased iron content in the zinc concentrate, through reduced freight costs and reduced smelting and refining penalties, continue to be realized.

Production levels have been maintained without any compromise to safety with over 9.3 million consecutive hours worked at Perkoa without any lost time injuries.

Payable zinc volumes sold for Q1 2020 decreased over the prior quarter due to lower production during the same period, while the decrease to the corresponding quarter in 2019 is due to the sale of 2018 inventory during Q1 2019.

C1 Cash Cost[1] and AISC[1] in Q1 2020 reduced by 12% and 10%, respectively, compared to the corresponding quarter in 2019, reflecting the lower production costs per pound associated with increased mining and processing volumes and the realization of cost saving initiatives that have been implemented as part of the T90 business improvement program. This reduction was partially offset by increased concentrate smelting and refining charges and freight costs as a result of increased volume of shipments to destinations in Asia and Canada versus Europe. C1 Cash Cost[1] and AISC[1] both increased 11% compared to the prior quarter as a direct result of the decrease in head grade as well as the increased concentrate charges and freight costs.

Adjusted EBITDA[1] in Q1 2020 decreased compared to the prior quarter as well as the corresponding quarter in 2019 primarily due to the decrease in revenues due to both zinc volumes and price.

Improved dilution control along with the modifications to the processing plant to eliminate iron prior to floating the zinc potentially facilitates the processing of additional mineral resources not currently incorporated into the mine plan and is expected to, in combination with other cost efficiencies, provide a basis to potentially extend Perkoa's mine life.

[1] *See "Use of Non-IFRS Financial Performance Measures".*

(in United States dollars, tabular amounts in thousands except where noted)

ROSH PINAH MINE, NAMIBIA

		Q1'20	Q4'19	Q1'19	Q1'20 vs Q4'19	Q1'20 vs Q1'19
Production						
Ore mined	t	175,100	196,723	169,683	–11%	3%
Ore milled	t	183,038	181,408	171,364	1%	7%
Zinc head grade		8.3%	7.4%	9.6%	12%	–14%
Lead head grade		1.1%	2.0%	1.0%	–45%	10%
Silver head grade	(ozs/t)	0.6	1.1	0.4	–45%	50%
Zinc recovery		87.2%	84.5%	88.5%	3%	–1%
Lead recovery		69.6%	72.1%	47.4%	–3%	47%
Silver recovery		55.2%	54.3%	36.6%	2%	51%
Zinc concentrate grade		49.4%	50.0%	50.1%	–1%	–1%
Lead concentrate grade		40.5%	52.0%	32.9%	–22%	23%
Zinc payable	Mlbs	24.4	20.9	26.8	17%	–9%
Lead payable	Mlbs	2.9	5.3	1.6	–45%	81%
Silver payable	Moz	0.1	0.2	0.0	–50%	100%
Sales						
Zinc payable	Mlbs	19.6	26.7	36.9	–27%	–47%
Lead payable	Mlbs	–	6.0	–	–100%	–
Silver payable	Moz	–	0.1	–	–100%	–
C1 Cash Cost[1]	$/lb	0.75	0.82	0.89	–9%	–16%
AISC[1]	$/lb	0.93	1.00	1.03	–7%	–10%
FINANCE						
Revenues, net[2]	$	8,924	24,040	33,382	–63%	–73%
Mine operating expenses		9,118	16,036	15,246	–43%	–40%
Adjusted EBITDA[1]		(194)	8,004	18,136	–102%	–101%
Other (income) expense		(10,661)	1,943	(1,886)	–649%	–465%
Impairment		31,524	–	–	100%	100%
EBITDA[1]		(21,057)	6,061	20,022	–447%	–205%
Depreciation, depletion & amortization		3,945	6,607	6,302	–40%	–37%
EBIT[1]	$	(25,002)	(546)	13,720	–4479%	–282%

[2] *Q1'19 has been restated to reflect the Company's change in accounting policy as disclosed in the December 31, 2019 Financial Statements.*

Payable zinc production for Q1 2020 was 24.4 million pounds, 17% higher than the prior quarter but 9% lower than during the corresponding quarter in 2019. The increase in payable zinc production from Q4 2019 is a result of higher-grade stopes being mined in accordance with the mine plan. The decrease compared to the same period in 2019 is due to lower grades offset by a 7% increase in mill throughput. Ore blending efforts to optimize grade and ore-type continue, improving the process plant stability and increasing ore processing rates. A significant increase in the ready-to-blast, drilled-off stope tonnes available provides the blending flexibility to further improve processing plant stability.

Payable zinc volumes sold for Q1 2020 decreased over the prior quarter due to an inventory build-up at the end of the current quarter due to timing of shipments while Q4 2019 sales included concentrate produced in Q3 2019, while the decrease to the corresponding quarter in 2019 is due to lower production during the same period combined with the sale of 2018 production during Q1 2019.

C1 Cash Cost[1] and AISC[1] reduced by 16% and 10%, respectively, when compared to the corresponding quarter in 2019 due to reflecting the realization of cost saving initiatives that have been implemented as part of the T90 business improvement program. This reduction was partially offset by increased zinc concentrate smelting and refining charges. C1 Cash Cost[1] and AISC[1] decreased 9% and 7%, respectively, compared to the prior quarter, which included a lead concentrate shipment whose by-product credits reduced these operating cost metrics. 2020 lead concentrate shipments are scheduled for Q2 and Q4.

[1] *See "Use of Non-IFRS Financial Performance Measures".*

The zinc concentrate filter press reduced zinc concentrate moisture content, re-handling costs and variability as well as improved metal accounting accuracy due to lower concentrate levels.

Adjusted EBITDA[1] in Q1 2020 decreased compared to the prior quarter due to the decrease in revenues due to both zinc volumes and price and because Q4 2019 included a by-product shipment. The decrease compared to the corresponding quarter in 2019 is due to the net effect of higher revenues due to both zinc volumes and price and higher operating costs in Q1 2019. Other income for Q1 2020 is comprised of an $11.0 million gain on foreign exchange due to the decline in value of the Namibian dollar related to an intercompany loan that is eliminated within the group upon consolidation.

During Q1 2020, the Company performed an impairment review of its interest in the Gergarub project following the suspension of operations at the nearby Skorpion Zinc mine, holder of a 51% interest in the Gergarub project. As a result, the Company recorded a non-cash impairment charge of exploration and evaluation assets of $31.5 million (excludes an $11.8 million deferred tax recovery).

[1] *See "Use of Non-IFRS Financial Performance Measures".*

(in United States dollars, tabular amounts in thousands except where noted)

CARIBOU MINE, CANADA

		Q1'20	Q4'19	Q1'19	Q1'20 vs Q4'19	Q1'20 vs Q1'19
Production						
Ore mined	t	191,817	239,113	214,089	–20%	–10%
Ore milled	t	195,305	232,055	210,785	–16%	–7%
Zinc head grade		5.5%	5.6%	5.9%	–2%	–7%
Lead head grade		2.1%	2.0%	2.4%	5%	–13%
Silver head grade	(ozs/t)	1.9	1.7	2.5	12%	–24%
Zinc recovery		78.1%	80.1%	78.0%	–2%	0%
Lead recovery		62.2%	62.7%	64.4%	–1%	–3%
Silver recovery		33.0%	35.1%	38.9%	–6%	–15%
Zinc concentrate grade		45.6%	46.7%	46.3%	–2%	–2%
Lead concentrate grade		36.0%	38.1%	38.9%	–6%	–7%
Zinc payable	Mlbs	15.4	18.9	17.8	–19%	–13%
Lead payable	Mlbs	5.0	5.9	6.7	–15%	–25%
Silver payable	Moz	0.1	–	0.2	–100%	–50%
Sales						
Zinc payable	Mlbs	16.1	18.1	17.3	–11%	–7%
Lead payable	Mlbs	3.5	6.1	6.8	–43%	–49%
Silver payable	Moz	0.1	–	0.2	–100%	–50%
C1 Cash Cost[1]	$/lb	1.54	1.05	1.06	47%	45%
AISC[1]	$/lb	1.74	1.24	1.19	40%	46%
FINANCE						
Revenues, net[2]	$	10,122	17,084	20,159	–41%	–50%
Mine operating expenses		16,516	16,541	17,509	0%	–6%
Adjusted EBITDA[1]		(6,394)	543	2,650	–1278%	–341%
Other expense (income)		3,147	1,308	(1,794)	141%	–275%
Impairment		56,780	–	–	100%	100%
EBITDA[1]		(66,321)	(765)	4,444	–8569%	–1592%
Depreciation, depletion & amortization		2,379	478	3,770	398%	–37%
EBIT[1]	$	(68,700)	(1,243)	674	–5427%	–10293%

[2] Q1'19 has been restated to reflect the Company's change in accounting policy as disclosed in the December 31, 2019 Financial Statements.

Payable zinc production for Q1 2020 was 15.4 million pounds, 19% lower than the prior quarter and 13% lower than the corresponding quarter in 2019 primarily due to a change in the mine sequence following a fall of ground that resulted in several days without production and lower zinc grades mined in the revised mine plan.

Payable zinc volumes sold for Q1 2020 decreased over the prior quarter and corresponding quarter in 2019 due to lower production during the same period.

C1 Cash Cost[1] and AISC[1] were both higher by 46% compared to the corresponding quarter of 2019 due to lower zinc payable production, higher sustaining capital expenditures due to an increase in development meters and increased zinc concentrate smelting and refining charges as well as a decrease in by-product sales due to the timing of lead shipments. C1 Cash Cost[1] and AISC[1] have increased by 47% and 40% respectively compared to the prior quarter, reflecting decreases in zinc payable production, increased maintenance costs as well as increased zinc concentrate smelting and refining charges as well as a decrease in by-product sales due to the timing of lead shipments.

Adjusted EBITDA[1] in Q1 2020 decreased compared to the prior quarter as well as the corresponding quarter in 2019 primarily due to the decrease in revenues due to both zinc volumes and price and decreased by-product sales due to timing of shipments.

[1] See "Use of Non-IFRS Financial Performance Measures".

The mine was placed on care and maintenance on March 26, 2020 in response to adverse market conditions, combined with high concentrate treatment charges. No timeline for a potential restart of operations has been defined. Trevali's operations centre in Bathurst, which serves the Company's global mine portfolio, will continue to operate. The change in operational status triggered an impairment review which resulted in a non-cash impairment charge of $56.8 million in the quarter. One-time restructuring expenses of $2.5 million are included in Other Items under the Financial Review section of this MD&A. Beginning in April 2020, Caribou's care and maintenance costs will be disclosed separately within operating expenses on the consolidated statement of operations.

(in United States dollars, tabular amounts in thousands except where noted)

SANTANDER MINE, PERU

		Q1'20	Q4'19	Q1'19	Q1'20 vs Q4'19	Q1'20 vs Q1'19
Production						
Ore mined	t	201,404	173,926	197,708	16%	2%
Ore milled	t	215,257	219,075	213,946	–2%	1%
Zinc head grade		5.3%	5.3%	4.9%	0%	8%
Lead head grade		0.7%	0.7%	0.9%	0%	–22%
Silver head grade	oz/t	1.1	1.1	1.3	0%	–15%
Zinc recovery		88.9%	88.3%	88.7%	1%	0%
Lead recovery		84.3%	83.7%	82.1%	1%	3%
Silver recovery		63.0%	62.0%	62.9%	2%	0%
Zinc concentrate grade		47.3%	46.5%	47.8%	2%	–1%
Lead concentrate grade		53.0%	49.0%	53.1%	8%	0%
Zinc payable	Mlbs	18.6	18.8	17.0	–1%	9%
Lead payable	Mlbs	2.8	2.6	3.3	8%	–15%
Silver payable	Moz	0.1	0.2	0.2	–50%	–50%
Sales						
Zinc payable	Mlbs	16.7	18.3	16.7	–9%	0%
Lead payable	Mlbs	2.3	2.7	3.2	–15%	–28%
Silver payable	Moz	0.1	0.2	0.2	–50%	–50%
C1 Cash Cost[1]	$/lb	0.84	0.79	0.73	6%	15%
AISC[1]	$/lb	1.02	1.10	0.89	–7%	15%
FINANCE						
Revenues, net[2]	$	12,858	16,977	18,697	–24%	–31%
Mine operating expenses		10,474	12,581	9,552	–17%	10%
Adjusted EBITDA[1]		2,384	4,396	9,145	–46%	–74%
Other expense (income)		2,448	626	(3,142)	291%	–178%
Impairment		23,201	–	–	100%	100%
EBITDA[1]		(23,265)	3,770	12,287	–717%	–289%
Depreciation, depletion & amortization		1,750	2,844	3,922	–38%	–55%
EBIT[1]	$	(25,015)	926	8,365	–2801%	–399%

[2] Q1'19 has been restated to reflect the Company's change in accounting policy as disclosed in the December 31, 2019 Financial Statements.

Payable zinc production of 18.6 million pounds in Q1 2020 was consistent with the prior quarter and improved by 9% over the corresponding quarter in 2019 as higher grades were processed. During Q1 2020, Santander achieved better zinc recoveries than the prior quarter as a result of improvements implemented in the cyclones and zinc flotation circuit combined with improved blending of the plant feed which in turn led to improved zinc concentrate grades. Further, plant reliability has been improved with the implementation of a more disciplined maintenance program. The primary crusher upgrade in January improved the comminution and is benefiting metallurgical recoveries and concentrate grades.

As a result of the State of Emergency declared in Peru, mill operations were suspended for a period of four weeks during April. Specifically, to operate safely, Santander reduced the number of workers at the operation to enable physical distancing which resulted in a decrease in tonnes mined which in turn led to insufficient feed to maintain mill operations. The mill resumed operations on April 29, 2020.

Payable zinc volumes sold for Q1 2020 decreased over the prior quarter due to an inventory build-up at the end of the current quarter, while the quarter was in line to the corresponding quarter in 2019.

[1] See "Use of Non-IFRS Financial Performance Measures".

C1 Cash Cost[1] and AISC[1] in Q1 2020 both increased by 15% compared to the corresponding quarter in 2019 primarily due to the higher benchmark zinc concentrate smelting and refining charges and lower by-product credits, partially offset by reducing costs including those realized as part of the T90 business improvement program. The 6% increase in C1 Cash Cost[1] compared to the prior quarter due to the higher benchmark zinc concentrate smelting and refining charges and lower by-product credits. During the quarter improvements in the grinding and flotation circuits to improve recoveries and concentrate grades also contributed to improved results. AISC[1] for Q1 2020 decreased by 7% over the prior quarter due to better execution and completion of planned sustaining capital expenditures, more than offsetting the increase in C1 Cash Cost[1] over the same period.

Adjusted EBITDA[1] in Q1 2020 decreased compared to the prior quarter as well as the corresponding quarter in 2019 primarily due to the decrease in revenues due to both zinc volumes and price.

During Q1 2020, the Company recorded a non-cash impairment charge of the property, plant and equipment at the Santander mine as a result of the adverse change to the business environment caused by COVID-19 of $23.2 million (includes exploration and evaluation assets of $7.7 million and excludes $4.2 million deferred tax recovery).

EXPLORATION AND DEVELOPMENT

With the implementation of cost reductions and reduced scope of activities implemented in Q1 2020 due to decreased metal prices related to the COVID-19 pandemic, drilling programs were halted across all jurisdictions in March 2020.

The updated Mineral Resource statements were disclosed on March 30, 2020 in the news release titled “Trevali Reports 2019 Mineral Reserves and Resources; Increases Reserves at Rosh Pinah Mine and Grows Global Resource Base”. Exploration successfully replaced 2019 mining depletion and increased Measured and Indicated Mineral Resources by 9% as compared to December 31, 2018, with significant increases at Rosh Pinah and the Santander Pipe.

Perkoa

During Q1 2020, underground drilling to follow up on the T3 discovery resumed with the completion of three holes, PUX025 to PUX026-W01. All three holes intersected the T3 horizon, however, the drilling program was halted in March 2020 due to the COVID-19 pandemic.

Similarly, regional exploration drilling programs were halted shortly after their scheduled resumption in Q1 2020.

Rosh Pinah

Surface exploration drilling resumed in Q1 2020, targeting the Northern extension of the Western Orefield following the success in extending the WF3 mineralization towards the North. The main objective is targeting new inferred mineral resources by extending the known mineralization to the North along the Western flank of the Rosh Pinah regional fold, but also drill testing geophysical targets along the Eastern flank.

Drilling from underground continued during Q1 2020 at the Western Orefield targeting areas at depth for mineral resource conversion and exploration.

Surface electromagnetic surveys also continued in the first quarter along the Northern Extension of the Western Orefield and along the Eastern Limb of the Rosh Pinah deposit. New targets have been identified, with the most prospective being two conductive targets adjacent to a large rhyolite dome, 1.5 kilometres east of the Rosh Pinah mine.

Trevali plans on publishing the RP2.0 Expansion Project pre-feasibility study in Q2 2020. The investment decision initially planned for 2020 is being deferred and will be evaluated in the future.

[1] See “Use of Non-IFRS Financial Performance Measures”.

(in United States dollars, tabular amounts in thousands except where noted)

Santander

Exploration continued at Santander during the first quarter with surface electromagnetic surveys and drilling at Magistral, the Santander Pipe and Blanquita with both surface and underground drill rigs.

At the Santander Pipe, where an indicated mineral resource is defined, mineral resource expansion drilling which began in Q3 2019 continued in Q1 2020 before being halted. The program is designed to test the down-plunge and lateral extents of mineralization on both flanks of the deposit. The Santander Pipe infill drilling program including the internal preliminary economic assessment has been paused.

A magneto-telluric survey was initiated in early September 2019 with the goal of probing the deeper exploration potential (approximately 0.5 – 2.0 kilometres) of the property for possible porphyry and skarn type mineralization was completed in Q4 2019. Interpretation, data processing and inversion began in Q1 2020 and will continue in Q2 2020.

Caribou

With the Caribou mine being placed on care and maintenance during the quarter, all exploration programs have been suspended at the mine and in the Bathurst camp.

FINANCIAL REVIEW

Financial Results

The following table summarizes the change in net income (loss) for the quarter:

		Q1'19 vs Q1'20
Net income for the 2019 period	$	16,116
Decrease in revenues		(73,261)
Expense components:		
Decrease in Mine operating expenses		29,542
Decrease in General and administrative		759
Increase in Other items		(18,040)
Increase in Impairment		(149,757)
Decrease in Income tax expense		19,036
Net decrease	$	(191,721)
Net loss for the 2020 period	$	(175,605)

Revenue amounts for Q1'19 in the table above have been restated to reflect the Company's change in accounting policy.

The net loss increased in Q1 2020 compared to the corresponding quarter of 2019 primarily because of lower revenues due to lower sales volumes and the lower zinc price and the property, plant and equipment impairment related to the Caribou and Santander mines and Canadian and Namibian exploration properties. The increase in net loss was partially offset by timing of sales and the realization of cost-saving initiatives in mining and general administrative expenses.

At March 31, 2020, the adverse business climate due to COVID-19, the lower zinc price and the decision to place Caribou on care and maintenance triggered impairment indicators. Accordingly, the recoverable amount of the cash generating units ("CGUs") at Caribou and Santander were estimated and compared against their carrying value. The carrying amount of the Caribou and Santander CGUs as well as related near-mine exploration assets exceeded their recoverable amount. The non-cash impairment charge of $153.4 million is related to the Caribou and Santander mines as well as Canadian and Namibian exploration assets and includes a $16.0 million deferred tax recovery (net impairment of $137.4 million) compared to the $3.7 million impairment of exploration assets in the corresponding quarter of 2019 due to the decision not to exercise the Murray Brook option.

(in United States dollars, tabular amounts in thousands except where noted)

Other Items

		Q1'20	Q4'19	Q1'19	Q1'20 vs Q4'19	Q1'20 vs Q1'19
Settlement mark-to-market	$	15,573	311	(5,569)	4907%	–380%
(Gain) loss on foreign exchange		(3,836)	1,321	1,719	–390%	–323%
Interest expense		1,544	1,814	2,207	–15%	–30%
Restructuring expenses		5,428	–	–	100%	0%
Other income		(2,342)	(879)	(30)	166%	7707%
	$	16,367	2,567	(1,673)	538%	–1078%

The increase in other items during Q1 2020, compared to the comparative quarters is primarily due to the increase in negative settlement mark-to-market adjustments due to the reduction of the zinc price during Q1 2020 as well as a restructuring expense related to a change in executive management and Caribou care and maintenance expenses. A foreign exchange gain was recognized in Q1 2020 as a result of the significant decrease in the Canadian dollar, Peruvian peso and Namibian dollar compared to the U.S. dollar while the comparative periods experienced the more moderate inverse movements.

Tax Expense

		Q1'20	Q4'19	Q1'19	Q1'20 vs Q4'19	Q1'20 vs Q1'19
Current income tax expense (recovery)	$	549	(1,041)	7,461	–153%	–93%
Deferred income tax (recovery) expense		(15,090)	4,751	(2,966)	–418%	–409%
	$	(14,541)	3,710	4,495	–492%	–423%

The Q1 2020 current income tax expense reflects withholding taxes and minimal corporate income taxes, compared to the prior quarter which included a negative cumulative adjustment to annual taxes for 2019 at Rosh Pinah because of the gradual decline in zinc prices during 2019.

The decrease in current income tax expenses from Q1 2020 compared to the corresponding quarter from 2019 is the result of reduced taxable profits attributed to lower sales volumes and commodity prices during Q1 2020 which impacted all operations.

The deferred income tax recovery during Q1 2020 reflects the net impact of normal course timing differences between accounting and tax deductions at Rosh Pinah and Santander, offset by a deferred tax recovery because of the impairment of property, plant and equipment and exploration properties.

(in United States dollars, tabular amounts in thousands except where noted)

LIQUIDITY AND CAPITAL RESOURCES

Financial Condition, Liquidity Risk and Going Concern

		March 31, 2020	December 31, 2019	Change
Total debt	$	106,364	78,608	35%
Cash and cash equivalents		18,504	24,468	–24%
Net debt		87,860	54,140	62%
Working capital		(63,258)	49,792	–227%

The primary sources of liquidity and capital resources are cash and temporary investments, cash flow provided from operations, and amounts available under credit agreements.

In September 2018, the Company entered into a $275.0 million revolving credit facility (the "Facility") with a syndicate of lenders of which $97.0 million was drawn as at March 31, 2020 (December 31, 2019: $67.0 million).

The Company has issued letters of credit under the Facility, totaling $9.1 million to support $6.1 million in various reclamation bonding requirements for the Caribou mine and to provide $3.0 million of financial security toward power transmission payments related to the Santander mine. Separately, the Company has arranged a $12.5 million financial guarantee to support reclamation bonding requirements for the Santander mine.

In addition to the Facility, the Company has entered into a VAT factoring facility secured against refund applications for recoverable VAT receivables in Burkina Faso. The outstanding facility balance as of March 31, 2020 is $6.5 million. Total debt at March 31, 2020 includes leases of $5.8 million. The Company has entered into an unsecured overdraft facility at the Rosh Pinah mine with an available amount of approximately $4.4 million (80.0 million Namibian Dollars). As at March 31, 2020 the overdraft facility was undrawn.

The financial position and liquidity of the Company has weakened significantly in Q1 2020 primarily as a result of the COVID-19 pandemic and resulting deterioration in the price of zinc and lead.

To avoid a breach of the Facility's covenants on March 31, 2020, the Company obtained a 30-day covenant waiver which was subsequently extended until May 31, 2020. Certain terms of the Facility were amended, including a reduction of the amount available under the Facility from $275.0 million to $125.0 million, additional reporting requirements, restrictions on certain investments and distributions, as well as a minimum liquidity covenant. The minimum liquidity covenant requires that the Company maintain minimum financial liquidity, defined as cash and cash equivalents plus amounts available under the Facility of $15.0 million.

The amount available to the Company under the Facility as of March 31, 2020 was $19.4 million. In April 2020, the Company drew a further $19.0 million under the Facility.

As the covenant waiver does not extend for a period of at least 12 months past March 31, 2020, the Facility balance was reclassified from non-current to current liabilities as at March 31, 2020 which caused the significant decrease in working capital position to ($63.3) million compared to $49.8 million at December 31, 2019.

The Company is currently in compliance with the minimum liquidity covenant under the Facility. The Company will not generate sufficient funds from operations to repay the Facility upon expiration of the covenant waiver on May 31, 2020 and will need to generate funds from other sources to do so or will need an extension or refinancing of the Facility. To address the near-term liquidity requirements, the Company has been in discussions with its lenders to negotiate further amendments to the Facility to provide the Company with additional time to generate cash and/or access additional sources of debt and equity financing. The Company has engaged RBC Capital Markets as its financial advisor. There can be no assurance that these negotiations will be successful or that the Company will be able to raise additional sources of debt or equity on a timely basis. The Company has also taken a number of other steps to assist in meeting the repayment obligations, including reducing capital, operating and exploration spending, placing the Caribou mine on care and maintenance and cancelling the Normal Course Issuer Bid ("NCIB").

(in United States dollars, tabular amounts in thousands except where noted)

The ability to repay or refinance the Facility and maintain financial covenants depends on a number of factors, some of which are beyond the Company's control. These include general global economic, credit and capital market conditions, timing of receipt of payments for the sale of concentrate and the demand for and selling price of commodities, particularly zinc. There is no assurance that the expected cash flows from operations in combination with other steps being taken will allow the Company to meet these obligations as they become due, that we will continue to meet the covenants under the Facility, or that the Company will be successful in renegotiating or refinancing the Facility. Accordingly, it is possible that the Company could be in default of the Facility prior to May 31, 2020 based on the amended terms, which could result in outstanding obligations becoming immediately due and payable unless waivers can be obtained from its lenders.

The Company's ability to continue as a going concern is dependent upon its ability to generate cash flow from operations and to agree on a revised Facility and to the extent that this is not sufficient, to obtain additional funding from loans, equity financings or asset sales. While the Company has been successful in arranging financing in the past, the success of such initiatives cannot be assured, particularly with the current uncertainty surrounding COVID-19 and the extent and duration of the impact on the ability to obtain funding. These material uncertainties cast significant doubt upon the validity of the going concern assumptions.

Cash Flows

		Q1'20	Q4'19	Q1'19	Q1'20 vs Q4'19	Q1'20 vs Q1'19
Operating cash flows before changes in working capital	$	(25,462)	20,076	42,561	–227%	–160%
Changes in working capital		10,917	(4,947)	(11,640)	321%	194%
Net cash (used in) from operating activities		(14,545)	15,129	30,921	–196%	–147%
Net cash used in investing activities		(17,988)	(28,295)	(13,014)	36%	–38%
Net cash provided by (used in) financing activities	$	27,551	(1,095)	(43,258)	2616%	164%

The decrease in cash from operating activities in Q1 2020 compared to Q4 2019 and the corresponding quarter of 2019 is mainly due to decreased revenues due to lower zinc and lead prices; the reduction in mine operating costs was insufficient to offset the decrease in revenues. The increase in cash from changes in working capital during Q1 2020 is due to the timing of cash from settlement receivables.

In Q1 2020, cash was invested primarily in property, plant and equipment and exploration and evaluation assets, similar to the comparative quarter of the prior year and the prior quarter, however the amount spent in Q1 2019 was significantly less due to challenges encountered with the execution of capital projects. Expansionary capital during Q1 2020 related primarily to digitization projects across the business and the RP2.0 project at Rosh Pinah, both of which are being deferred or reduced in response to the near-term zinc price uncertainty as a result of the COVID-19 pandemic

Cash provided by financing activities reflects a $30.0 million draw on the Facility during Q1 2020 while there were no material financing activities in Q4 2019. There was a $40.0 million repayment on the Facility during Q1 2019.

FINANCIAL RISK MANAGEMENT

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they fall due. The Company manages its liquidity risk by optimizing its cash holdings, forecasting cash flows required by operations and anticipated investing and financing activities.

(in United States dollars, tabular amounts in thousands except where noted)

The Company's operating cash flows are very sensitive to variations in the price of zinc and lead, foreign exchange rates and ore grades, and any cash flow outlook provided may vary significantly. Spending and capital investment plans may also be adjusted in response to changes in operating cash flow expectations. An increase in average zinc and lead prices from current levels may result in an increase in planned expenditures and, conversely, weaker average zinc and lead prices could result in a reduction of planned expenditures.

The Company has not entered into any long-term hedging arrangement in respect of its metal sales, however, a fixed zinc pricing arrangement was agreed with Glencore, as the purchaser, for 70% of the zinc concentrate produced at Caribou and Santander for six months from December 1, 2019 to May 30, 2020 at a price of $1.10 per pound. This arrangement has increased revenues for Q1 2020 by $8.0 million and a further gain of $2.3 million recorded to Other income in respect of Caribou April and May fixed-pricing quantities that will not be delivered.

Trevali remains positive in its longer-term demand outlook for zinc and lead, however, global economic uncertainty and COVID-19 have had a significant negative effect on commodity demand and prices during Q1 2020. The extent and duration of impacts that COVID-19 may have on demand and zinc and lead prices, on the Company's suppliers and employees and on global financial markets over the remainder of the year and going forward is not known at this time, but could be material.

OUTSTANDING SHARE DATA

The Company's authorized capital consists of an unlimited number of common shares without par value, of which 802,561,585 are issued and outstanding as of the date of this MD&A.

RELATED PARTY TRANSACTIONS AND BALANCES

Glencore

As of March 31, 2020, Glencore owned 210,835,925 Trevali common shares representing approximately 26.3% of the total issued and outstanding common shares.

Glencore purchases all of the Company's concentrate production under separate off-take agreements with each of its mines which were entered into before Glencore was a related party of the Company.

In addition, pursuant to a Services Agreement dated August 31, 2017 between the Company and Glencore, Glencore provides certain technical, financial and other advisory services to the Company, which are provided on a cost-recovery basis.

The Company has entered into the following transactions with Glencore:

		Q1'20	Q4'19	Q1'19	Q1'20 vs Q4'19	Q1'20 vs Q1'19
Net revenue on concentrate sales	$	51,952	91,466	125,213	–43%	–59%
Settlement mark-to-market		(15,573)	310	5,569	–5124%	–380%
Other income[1]		2,300	–	–	100%	100%
Professional services		–	63	–	–100%	–

Revenue amounts for Q1'19 in the table above have been restated to reflect the Company's change in accounting policy.

		March 31, 2020	December 31, 2019
Settlement receivables	$	13,966	32,472
Payable	$	40	73

[1] *Relates to the settlement of the fixed pricing arrangement for the Caribou mine.*

P.E. Minerals Namibia (Proprietary) Limited

P.E. Minerals Namibia (Proprietary) Limited is a minority shareholder of the Rosh Pinah mine and owns the right to use the Rosh Pinah Mine Grant Number ML39 with the Company paying a market rate lease. This mining licence expires during 2020 and a licence renewal application has been submitted to the Ministry of Mines and Energy in Namibia. Management does not foresee any reason for the application to be denied.

RISKS AND UNCERTAINTIES

The mining industry involves many risks which are inherent to the nature of the business, global economic trends and economic, environmental and social conditions in the geographical areas of operation. As a result, Trevali is subject to a number of risks and uncertainties, each of which could have an adverse effect on our operating results, business prospects or financial position. The Company continuously assesses and evaluate these risks and minimize them by implementing operating standards and processes to identify, assess, report and monitor risks across our organization. For a comprehensive list of other risks and uncertainties affecting our business, please refer to the section entitled "Risk Factors" in our most recent Annual Information Form, which is available at www.sedar.com.

Additional risks and uncertainties have arisen during the current quarter as a result of the COVID-19 pandemic, which has had a significant impact on the Company's liquidity. Refer to the section entitled "Liquidity and Capital Resources" for details on the liquidity risk.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in accordance with IFRS applicable to interim financial reporting requires management to make significant assumptions and judgments about the future and other sources of estimation uncertainty that management has made at the end of the reporting quarter, which could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future years if the revision affects both current and future years.

These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

These areas of judgment and critical accounting estimates are consistent with those reported in the 2019 annual consolidated financial statements and MD&A, except for the additional sources of estimation uncertainty as follows.

- Going concern

  As discussed in the section entitled "Liquidity and Capital Resources", the Company's ability to continue as a going concern is dependent upon its ability to generate cash flow from operations and to agree on a revised Facility and to the extent that this is not sufficient, to obtain additional funding from loans, equity financings or asset sales. These material uncertainties cast significant doubt upon the validity of the going concern assumptions.

- COVID-19 Economic Uncertainty

  In March 2020, the World Health Organization declared a global pandemic related to COVID-19. The current and expected impacts on global commerce are anticipated to be far-reaching. To date there has been significant volatility in commodity and foreign exchange markets, restrictions on the conduct of business in many jurisdictions, disruption in stock markets and the global movement of people and some goods has become restricted. There is significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts that it may have on demand and the zinc and lead prices, suppliers, employees and on global financial markets.

During Q1 2020, Trevali has made efforts to safeguard the health of our employees, while continuing to operate safely and responsibly, maintain employment and economic activity. These measures combined with commodity market fluctuations resulting from COVID-19 have affected financial results. While commodity prices have declined in U.S. dollar terms; our operations located in Canada, Peru and Namibia have benefited from the weakening of local currencies relative to the U.S. dollar.

The Company also implemented changes to operating procedures at all of its mines to safeguard the health of employees. These changes did not materially impact production levels or costs during the quarter, though may result in changes to production, costs and the net realizable value of inventory in future periods.

In the current environment, assumptions about future commodity prices, exchange rates and interest rates are subject to greater variability than normal, which could in future significantly affect the valuation of our assets, both financial and non-financial. Short-term prices for lead and zinc have declined in Q1 2020; however, given the relatively short duration of this market movement, market participant views of commodity prices over the medium- and long-term have remained largely unchanged. As an understanding of the longer-term impacts of COVID-19 on commodity, credit and equity markets develops, there is heightened potential for changes in these views over the balance of 2020.

- Impairment testing

Impairment assessments require the use of estimates and assumptions such as future zinc, lead and silver metal prices (considering current and historical prices, price trends and related factors), operating and capital costs, discount rates, foreign exchange rates, closure and rehabilitation costs, exploration potential, mineral reserves and resources, operating performance (which includes production and sales volumes) and estimated life-of-mines. These estimates and assumptions are subject to risk and uncertainty.

In the current environment, assumptions about future commodity prices, exchange rates and interest rates are subject to greater variability than normal, which could in future significantly affect the valuation of assets. Short-term prices for zinc and lead have declined in the period preceding the end of Q1; however, given the relatively short duration of this market movement, market participant views of commodity prices over the medium- and long-term have remained largely unchanged. As an understanding of the longer-term impacts of COVID-19 on commodity, credit and equity markets develops, there is heightened potential for changes in these views over the balance of 2020.

The Company recorded a net impairment of $137.4 million during Q1 2020 related to the Caribou and Santander mines as well as Canadian and Namibian exploration properties. There is heightened potential for further impairments or reversal of these and possibly other impairments over the balance of 2020.

During Q1 2020, the Company recorded non-cash, pre-tax asset impairments totaling $153.4 million to the property, plant and equipment at Caribou and Santander mines and the exploration and evaluation assets related to the Canadian and Namibian properties a direct result of the adverse change to the business environment caused by COVID-19 and Caribou's care and maintenance status. The economic models for determining the impairments assumes a current LME zinc price in 2020 and increases to a long-term price of $1.14 per pound in 2024.

Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or cost generating units ("CGUs"). In such circumstances, some or all of the carrying amount of the assets/CGUs may give rise to an impairment or a reversal of previous impairments with the impact recognized in the statement of operations.

ACCOUNTING CHANGES

There have been no changes in accounting policy or new standards and interpretations not yet adopted during 2020.

2019 Change in Accounting Policy Related to Revenue and Settlement Receivables

During 2019, the Company revised its accounting policy to record settlement mark-to-market in other items that were previously recognized as an adjustment to revenue in order to enhance the relevance, comparability and understandability of disclosures.

Settlement mark-to-market are adjustments made to the sales price based on movements in quoted market prices between the date of revenue recognition and the end of the quotational period and are made to settlement receivables in subsequent periods up to the date of final pricing. As the adjustment mechanism is an embedded derivative, the changes in fair value of the settlement receivables are disclosed separately from revenue from contracts with customers.

This change in accounting policy was made effective July 1, 2019 and first reported during Q3 2019 with the restatement of comparative periods. Refer to Note 3 of the Company's audited consolidated financial statements for the years ended December 31, 2019 and 2018 for more details.

MANAGEMENT'S REPORT ON INTERNAL CONTROLS

Disclosure Controls and Procedures ("DC&P")

Management, under the supervision of the President and Chief Executive Officer and the Chief Financial Officer, has designed DC&P which provide reasonable assurance that material information related to Trevali is identified and communicated on a timely basis.

Internal Control over Financial Reporting ("ICFR")

Management, under the supervision of the President and Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate ICFR. Any system of ICFR, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management assesses the effectiveness of the Company's ICFR based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission on Internal Control — Integrated Framework (2013).

During the quarter we moved all corporate office staff and many site administrative staff offsite to work from home. This change has required certain processes and controls that were previously done or documented manually to be completed and retained in electronic form. Despite the changes required by the current environment, there have been no significant changes in the Company's internal controls that have materially affected, or are reasonably likely to materially affect, ICFR during the three months ended March 31, 2020.

USE OF NON-IFRS FINANCIAL PERFORMANCE MEASURES

This MD&A refers to the following non-IFRS financial performance measures: Earnings before interest, taxes, depreciation and amortization ("EBITDA"), Earnings before interest and taxes ("EBIT"), Adjusted EBITDA, Adjusted Earnings per Share, Net debt, C1 Cash Cost and All-In Sustaining Cost ("AISC").

These measures are not recognized under IFRS as they do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. Trevali uses these measures internally to evaluate the underlying operating performance of the Company for the reporting periods presented. The use of these measures enables the Company to assess performance trends and to evaluate the results of the underlying business. Trevali understands that certain investors, and others who follow the Company's performance, also assess performance in this way.

(in United States dollars, tabular amounts in thousands except where noted)

The Company believes that these measures reflect our performance and are useful indicators of our expected performance in future periods. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

EBITDA and EBIT

EBITDA provides insight into overall business performance. This measure assists readers in understanding the ongoing cash generating potential of the business including liquidity to fund working capital, service debt, and fund capital expenditures and investment opportunities. EBITDA is profit attributable to shareholders before net finance expense, income taxes and depreciation, depletion, and amortization. EBIT is EBITDA after depreciation, depletion, and amortization. Other companies may calculate EBIT and EBITDA differently.

Adjusted EBITDA, Adjusted EBIT and Adjusted Earnings per Share

Adjusted EBITDA consists of EBITDA less the impact of impairments or reversals of impairment and other non-cash and non-recurring expenses and recoveries. Adjusted EBIT consists of EBIT less the impact of impairments or reversals of impairment and other non-cash and non-recurring expenses and recoveries. These expenses and recoveries are removed from the calculation of EBITDA and EBIT as the Company does not believe they are reflective of the Company's ability to generate liquidity and its core operating results.

Adjusted Earnings per Share consists of net income or loss in the period less the impact of impairments or reversals of impairment, settlement mark-to-market, gain (loss) on foreign exchange and other income or expenses.

		Q1 2020
Net loss	$	(175,605)
Current income tax		549
Deferred income tax recovery		(15,090)
Interest expense		1,544
EBIT		(188,602)
Depreciation, depletion and amortization		13,714
EBITDA		(174,888)
Settlement mark-to-market		15,573
Other income		(2,342)
Restructuring expenses		5,428
Impairment		153,419
Gain on foreign exchange		(3,836)
Adjusted EBITDA	$	(6,646)
Net loss	$	(175,605)
Gain on foreign exchange		(3,836)
Restructuring expenses		5,428
Impairment		153,419
Other income		(2,342)
Settlement mark-to-market		15,573
Adjusted net loss	$	(7,363)
Loss per Share	$	(0.22)
Adjusted Earnings per Share	$	(0.01)
Weighted average number of shares outstanding – basic (‘000)		802,562

(in United States dollars, tabular amounts in thousands except where noted)

Net Debt

Net debt demonstrates how the Company's debt is being managed and is defined as total current and non-current portions of debt and lease liabilities less cash and cash equivalents.

		March 31, 2020
Current portion of lease liabilities	$	3,398
Current portion of debt		100,555
Non-current portion of lease liabilities		2,411
Non-current portion of debt		–
Total debt		106,364
Less: cash and cash equivalents		18,504
Net debt	$	87,860

C1 Cash Cost

This measures the estimated cash cost to produce a pound of payable zinc. This measure includes mine operating production expenses such as mining, processing, administration, indirect charges (including surface maintenance and camp), and smelting, refining and freight, distribution, royalties, and by-product metal revenues divided by pounds of payable zinc produced. C1 Cash Cost per pound does not include depreciation, depletion, and amortization, reclamation expenses, capital sustaining and exploration expenses.

AISC

This measures the estimated cash costs to produce a pound of payable zinc plus the estimated capital sustaining costs to maintain the mine and mill. This measure includes the C1 Cash Cost per pound and capital sustaining costs divided by pounds of payable zinc produced. All-In Sustaining Cost per pound does not include depreciation, depletion, and amortization, reclamation and exploration expenses.

		Q1 2020				
		Perkoa	Rosh Pinah	Caribou	Santander	Total
Mining	$	7,862	3,816	7,225	4,410	23,313
Processing		4,438	2,115	6,369	2,534	15,456
Maintenance		994	1,601	893	1,854	5,342
General and administrative		4,381	1,569	1,772	979	8,701
Smelting and refining		16,190	7,972	9,647	8,352	42,161
Distribution		3,389	936	355	658	5,338
Royalties		179	353	–	28	560
Less: By-product revenues		–	31	(2,504)	(3,201)	(5,674)
C1 total costs		37,433	18,393	23,757	15,614	95,197
Sustaining CAPEX		2,130	4,284	2,943	3,271	12,628
Lease payments		1,094	–	28	–	1,122
AISC total costs	$	40,657	22,677	26,728	18,885	108,947
Pounds of zinc payable produced	Mlbs	40.6	24.4	15.4	18.6	99.0
C1 Cash Cost	$/lbs	0.92	0.75	1.54	0.84	0.96
AISC	$/lbs	1.00	0.93	1.74	1.02	1.10

Sustaining capital expenditures are defined as those expenditures which do not increase payable mineral production at a mine site and excludes all expenditures at the Company's projects and certain expenditures at the Company's operating sites which are deemed expansionary in nature. The following table reconciles sustaining capital expenditures to the Company's total capital expenditures:

(in United States dollars, tabular amounts in thousands except where noted)

	Q1 2020
Additions to property, plant and equipment	15,464
Sustaining capital expenditures	12,628
Corporate capital expenditures	46
Expansionary capital expenditures	2,790

NOTES TO READER

Cautionary Note Regarding Forward-Looking Information and Statements

This MD&A contains “forward-looking information” within the meaning of Canadian securities legislation and “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, “forward-looking statements”). Forward-looking statements are based on the beliefs, expectations and opinions of management of the Company as of the date the statements are published, and the Company assumes no obligation to update any forward-looking statement, except as required by law.

Forward-looking statements relate to future events or future performance and reflect management’s expectations or beliefs regarding future events including the impacts of the ongoing and evolving COVID-19 pandemic, including but not limited to the effects of COVID-19 on the Company’s liquidity position and ability to continue as a going concern as described herein. Forward-looking statement also include statements with respect to the Company’s growth strategies, expected annual savings from capital projects, anticipated effects of commodity prices on revenues, estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production and capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, future anticipated property acquisitions, the content, cost, timing and results of future exploration programs and life of mine expectancies. The potential effects of COVID-19 on the Company’s business are unknown at this time, including the Company’s ability to manage restrictions and other challenges in the jurisdictions in which it operates and continue to safely operate and, in due course, return to normal operating status. The impact of COVID-19 is dependent on many factors outside the Company’s control, including measures taken by public health and government authorities, global economic uncertainties and outlook due to the pandemic, and evolving restrictions relating to mining activities and to travel and transport of goods in certain jurisdictions where the Company operates. In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “outlook”, “guidance”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might”, “will be taken”, “occur” or “be achieved” or the negative of these terms or comparable terminology. By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of zinc, lead, silver and other minerals and the anticipated sensitivity of our financial performance to such prices; possible variations in ore reserves, grade or recoveries; dependence on key personnel; potential conflicts of interest involving our directors and officers; labour pool constraints; labour disputes; availability of infrastructure required for the development of mining projects; delays or inability to obtain governmental and regulatory approvals for mining operations or financing or in the completion of development or construction activities; counterparty risks; increased operating and capital costs; foreign currency exchange rate fluctuations; operating in foreign jurisdictions with risk of changes to governmental regulation; compliance with governmental regulations; compliance with environmental laws and regulations; land reclamation and mine closure obligations; challenges to title or ownership interest of our mineral properties; maintaining ongoing social license to operate; impact of climatic conditions on the Company’s mining operations; risks relating to epidemics or pandemics such as COVID-19 including the impact of COVID-19 on our business, financial condition and results of operations; corruption and bribery; limitations inherent in our insurance coverage; compliance with financial covenants; our ability to raise capital; competition in the mining industry; our ability to integrate new acquisitions into our operations; cybersecurity threats; litigation; and other risks of the mining industry including, without limitation, other risks and uncertainties that are more fully described in the "Risks and Uncertainties" section of this MD&A and the "Risk Factors" section of our most recently filed Annual Information Form. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Trevali provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events may differ from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Qualified Person and Quality Control/Quality Assurance

Yan Bourassa, Vice President, Mineral Resources Management of the Company, is a qualified person as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators and has supervised and approved the preparation of the scientific and technical information that forms the basis for this MD&A.

For a description of the key assumptions, parameters and methods used to estimate mineral reserves and resources, as well as data verification procedures and a general discussion of the extent to which the estimates of scientific and technical information may be affected by any known environmental, permitting, legal title, taxation, sociopolitical, marketing or other relevant factors, please see the technical reports for our material properties as filed by the Company on SEDAR at www.sedar.com.