MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE AND SIX MONTHS ENDED JUNE 30, 2020

TREVALI

This Management's Discussion & Analysis ("MD&A") is dated as of August 6, 2020 and should be read in conjunction with the condensed interim consolidated financial statements and notes thereto for the three and six months ended June 30, 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 SECOND QUARTER 2020

- **Total Recordable Incident Frequency decreased 33%** from the comparative quarter in 2019 with seven less recordable injuries reported. This is a result of improved work planning and execution where health and safety hazards are identified and controls to manage risk implemented prior to commencing work.
- **COVID-19 had a negative effect on the zinc price and financial results in Q2 2020.**
- **Perkoa, Rosh Pinah and Santander are all currently producing at full capacity with comprehensive COVID-19 prevention measures in place.**
- **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 is forecasting to deliver $43 million of recurring, annualized efficiencies in 2020, of which $30 million has been delivered at the end of Q2 2020.
- **Undertook immediate one-time cost reductions to achieve an additional $37 million of savings in 2020** across sustaining and expansionary capital, exploration and operating expenditures.
- **Secured up to $45 million additional liquidity under existing credit facility and a new facility from Glencore as well as covenant relief until December 31, 2020.** Revolving credit facility availability increased by $10.0 million; minimum liquidity covenant of $15.0 million eliminated; new facility from Glencore of up to $20.0 million.
- **Issued updated guidance for 2020** with production guidance for H2 2020 between 148 – 163 million pounds of payable zinc, C1 Cash Costs[1] of $0.80 – $0.88/lb and AISC[1] of $0.89 – $0.97/lb.
- **Zinc payable production of 66 million pounds at a C1 Cash Cost[1] of $0.93/lb and AISC[1] of $1.05/lb.** C1 Cash Cost[1] and AISC[1] improved from Q1 2020 despite lower production volumes as a result of cost savings implemented under the T90 business improvement program, by-product credits, and Caribou being placed on care and maintenance.
- **Adjusted EBITDA[1] of ($5.7) million for Q2 2020** due to a decline in the zinc price (quarterly average of $0.89/lb) and reduced sales volumes of 72 million pounds of payable zinc due to lower production as a result of Caribou being placed on care and maintenance, COVID-19 related disruptions to production at Santander as well as lower zinc grades at Perkoa and Rosh Pinah.

		YTD Q2'20	YTD Q2'19	YoY	**Q2'20**	Q1'20	Q2'19	Q2'20 vs Q1'20	Q1'20 vs Q2'19
Zinc payable production	Mlbs	164.7	205.8	–20%	65.8	99.0	105.2	–34%	–37%
Lead payable production	Mlbs	15.4	22.9	–33%	4.7	10.7	11.4	–56%	–59%
Silver payable production	Moz	0.4	0.7	–43%	0.1	0.3	0.3	–67%	–67%
Revenue	$	94,641	207,509	–54%	42,689	51,952	82,297	–18%	–48%
Adjusted EBITDA[1]	$	(12,355)	64,013	–119%	(5,709)	(6,646)	17,558	–14%	–133%
Net loss	$	(194,986)	(15,447)	1162%	(19,381)	(175,605)	(31,563)	–89%	–39%
Net loss per share	$	(0.24)	(0.02)	1100%	(0.02)	(0.22)	(0.04)	–91%	–50%
C1 Cash Cost[1]	$/lb	0.95	0.90	6%	0.93	0.96	0.86	–3%	8%
AISC[1]	$/lb	1.08	1.04	4%	1.05	1.10	1.00	–5%	5%
Sustaining capital expenditure[1]	$	19,661	24,278	–19%	7,033	12,628	13,796	–44%	–49%
Exploration expenditure	$	3,585	5,031	–29%	421	3,164	2,547	–87%	–83%

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

YTD Q2'19 and Q2'19 revenues have 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

$50 MILLION
in annual sustainable efficiencies
T90
CENTS
AISC by 2021

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 market conditions as a result of the COVID-19 pandemic, the scope of cost benefits under the T90 business improvement program have been accelerated and expanded.

During Q2 2020, the Company took decisive action and continued to transform the business through the implementation and acceleration of the T90 business improvement program and additional one-time cost reduction initiatives. The result 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 is forecasting to deliver $43 million of recurring annualized efficiencies in 2020, of which $30 million has already been delivered.

Improvements delivered by the T90 program during Q2 2020 reduced AISC[1] by approximately $0.05 per pound and increased revenues by approximately $1.3 million.

2020 COST REDUCTIONS

In addition to the recurring initiatives being pursued through the T90 business improvement program, Trevali has undertaken immediate one-time cost reductions in 2020 of $37 million, up from the previously estimated $41 million in Q1 2020. This reduction is in relation to the $81 million of estimated capital expenditures provided as part of the annual guidance disclosed on January 20, 2020 which was subsequently withdrawn on March 26, 2020 due to the impact of COVID-19 and the deterioration in the zinc market. Revised 2020 guidance reflects these cost reductions. See "2020 Guidance and Outlook"

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

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

FINANCIAL AND OPERATIONAL SUMMARY

		YTD Q2'20	YTD Q2'19	YoY	Q2'20	Q1'20	Q2'19	Q2'20 vs Q1'20	Q2'20 vs Q2'19
Production									
Ore mined	t	1,274,816	1,534,561	–17%	513,462	761,354	762,189	–33%	–33%
Ore milled	t	1,283,898	1,573,537	–18%	504,144	779,754	803,969	–35%	–37%
Zinc head grade		7.9%	8.2%	–4%	7.9%	7.9%	8.2%	0%	–4%
Lead head grade		1.2%	1.4%	–14%	0.0%	1.3%	1.4%	–100%	–100%
Silver head grade	(ozs/t)	1.1	1.4	–21%	0.8	1.2	1.3	–33%	–38%
Zinc recovery		87.9%	86.7%	1%	88.5%	87.4%	86.5%	1%	2%
Lead recovery		70.8%	64.6%	10%	75.9%	68.8%	64.2%	10%	18%
Silver recovery		48.5%	45.8%	6%	54.6%	46.4%	45.2%	18%	21%
Zinc payable	Mlbs	164.7	205.8	–20%	65.8	99.0	105.2	–34%	–37%
Lead payable	Mlbs	15.4	22.9	–33%	4.7	10.7	11.4	–56%	–59%
Silver payable	Moz	0.4	0.7	–43%	0.1	0.3	0.3	–67%	–67%
Cost per unit									
C1 Cash Cost[1]	$/lb	0.95	0.90	6%	0.93	0.96	0.86	–3%	8%
AISC[1]	$/lb	1.08	1.04	4%	1.05	1.10	1.00	–5%	5%

Consolidated quarterly production decreased by 34% in Q2 2020 to 65.8 million pounds of payable zinc as compared to 99.0 million pounds in Q1 2020 primarily due to the commencement of the care and maintenance program at Caribou on March 26, 2020. Zinc payable production was also impacted by the temporary suspension of milling at Santander during April which was a direct result of the COVID-19 pandemic as well as a reduction in head grades at Perkoa due to mine plan sequencing and at Rosh Pinah due to higher dilution and the timing of accessing a high grade stope. Operations at Santander were temporarily suspended on June 26, 2020, as a result of a number of contractors testing positive for COVID-19. Operations were restarted effective July 15, 2020.

C1 Cash Cost[1] of $0.93 per pound in Q2 2020 as compared to $0.96 per pound in Q1 2020 benefited from the cost savings and efficiencies of the T90 program, by-product credits of one of two annual lead concentrate sales at Rosh Pinah and the suspension of operations at Caribou, previously the Company's highest cost operation. These benefits have been offset by the decrease in zinc payable production described above. Despite the lower payable production, AISC[1] in Q2 2020 of $1.05 per pound improved compared to $1.10 per pound in Q1 2020 for the same reasons as C1 Cash Cost[1] as well as sustaining capital expenditure savings.

		YTD Q2'20	YTD Q2'19	YoY	Q2'20	Q1'20	Q2'19	Q2'20 vs Q1'20	Q2'20 vs Q2'19
Revenues	$	94,641	207,509	–54%	42,689	51,952	82,297	–18%	–48%
Zinc payable sales	Mlbs	163.4	218.6	–25%	72.3	91.1	93.2	–21%	–22%
Average zinc LME price	$/lb	0.93	1.24	–25%	0.89	0.97	1.25	–8%	–29%
EBITDA[1]	$	(179,200)	39,231	–557%	(4,312)	(174,888)	(7,443)	–98%	–42%
Adjusted EBITDA[1]		(12,355)	64,013	–119%	(5,709)	(6,646)	17,558	–14%	–133%
Net loss		(194,986)	(15,447)	1162%	(19,381)	(175,605)	(31,563)	–89%	–39%
Net loss per share basic and diluted		(0.24)	(0.02)	1100%	(0.02)	(0.22)	(0.04)	–91%	–50%
Adjusted (loss) income per share[1]	$	(0.04)	(0.00)	–100%	(0.03)	(0.01)	(0.01)	200%	200%

Revenue amounts in the table above have been restated for Q2'19 to reflect the Company's change in accounting policy.

The decrease in revenues in Q2 2020 to $42.7 million is attributable to the 21% decrease in sales volumes as compared to Q1 2020 as a direct result of the lower production discussed above, as well as the lower price of zinc that averaged $0.89 per pound in the quarter, a decline of 8% from Q1 2020.

Adjusted EBITDA[1] of negative $5.7 million improved from negative $6.6 million in Q1 2020 despite lower revenues due to cost savings and lower cost of sales recognized due to lower sales volumes. Adjusted EBITDA[1] includes $3.9 million of care and maintenance costs related to Caribou in Q2 2020. The difference between EBITDA[1] and Adjusted EBITDA[1] during Q2 2020 is minimal as the adjusting items were limited to minor offsetting gains and expenses. In contrast, comparative quarters included significant items such as impairments, restructuring costs and large settlement mark-to-market amounts.

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

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

Financial and Operational Summary Excluding Caribou

All amounts exclude Caribou		**YTD Q2'20**	YTD Q2'19	YoY	**Q2'20**	Q1'20	Q2'19	Q2'20 vs Q1'20	Q2'20 vs Q2'19
Production									
Ore mined	t	1,082,999	1,109,083	–2%	513,462	569,537	550,800	–10%	–7%
Ore milled	t	1,088,593	1,141,124	–5%	504,144	584,449	582,341	–14%	–13%
Zinc payable	Mlbs	149.3	170.0	–12%	65.8	83.6	87.2	–21%	–25%
Lead payable	Mlbs	10.4	9.6	8%	4.7	5.7	4.8	–18%	–2%
Silver payable	Moz	0.3	0.3	0%	0.1	0.2	0.1	–50%	0%
Cost per unit									
C1 Cash Cost[1]	$/lb	0.89	0.87	3%	0.93	0.85	0.81	9%	15%
AISC[1]	$/lb	1.01	0.99	2%	1.05	0.98	0.95	7%	10%
Financial									
Revenues	$	84,576	168,609	–50%	42,746	41,830	63,557	2%	–33%
Zinc payable sales	Mlbs	147.3	183.3	–20%	72.3	75.0	75.2	–4%	–4%
EBITDA[1]	$	(108,463)	36,298	–399%	(196)	(108,567)	(5,932)	–100%	–97%
Adjusted EBITDA[1]		(1,977)	59,175	–103%	(1,725)	(252)	15,371	585%	–111%
Net loss		(119,319)	(7,557)	–1479%	(13,366)	(105,953)	(24,626)	–87%	–46%
Net loss per share basic and diluted		(0.15)	(0.01)	–1400%	(0.02)	(0.13)	(0.03)	–85%	33%
Adjusted (loss) income per share[1]	$	(0.02)	0.02	–200%	(0.02)	0.00	0.00	N/A	N/A

Revenue amounts in the table above have been restated for Q2'19 to reflect the Company's change in accounting policy.

Excluding Caribou, consolidated quarterly production decreased by 21% in Q2 2020 as compared to Q1 2020 due to the temporary suspension of milling at Santander during April which was a direct result of the COVID-19 pandemic, as well as a reduction in head grades at Perkoa due to mine plan sequencing and at Rosh Pinah due to higher dilution and the timing of accessing a high grade stope.

Q2 2020 C1 Cash Cost[1] excluding Caribou of $0.93 per pound increased by 9% compared to Q1 2020. The effect of the 21% decrease in payable production was partially offset by the cost savings and efficiencies of the T90 program as well as one of two annual lead concentrate sales at Rosh Pinah due to the timing of shipments. Sustaining capital expenditure reductions as a result of the T90 Program and other savings and deferrals resulted in AISC[1] for the current quarter of $1.05 per pound, a 3% increase compared to Q1 2020 despite the 21% reduction in payable production.

Total revenues are consistent with the prior quarter, despite a decrease in zinc sales due to the lead sale in Q2 2020 at Rosh Pinah discussed above. The decrease in zinc revenues is attributable to the decrease in the price of zinc and lead as well as lower sales volumes, as a direct result of the lower production discussed above. Adjusted EBITDA[1] was negative $1.7 million in Q2 2020 as compared to negative $0.2 million in Q1 2020. The difference between EBITDA[1] and Adjusted EBITDA[1] during Q2 2020 was minimal as the adjusting items were limited to minor gains and expenses that mostly offset each other. In contrast, comparative quarters have included significant items such as impairments, restructuring costs and settlement mark-to-market amounts.

2020 GUIDANCE & OUTLOOK

With enhanced safety measures in place at Trevali's operations to mitigate the impacts of COVID-19, each of Perkoa, Rosh Pinah and Santander are operating at full capacity. Operations at Caribou were placed on care and maintenance on March 26, 2020.

All previously issued 2020 annual guidance was suspended on March 26, 2020 due to the uncertainty caused by COVID-19 on the demand and prices for zinc and lead, on the Company's suppliers and employees and on global financial markets. While uncertainty still remains with the aforementioned, given the progress made on both the T90 business improvement program and the 2020 one-time cost reductions the Company is issuing updated production and cost guidance for the remainder of 2020.

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

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

H2 2020 Payable Production and Cost Guidance

	Zinc Production (Million pounds)	Lead Production (Million pounds)	Silver Production (Thousand ounces)	C1 Cash Cost[1] ($/lb)	AISC[1] ($/lb)
Perkoa	78 – 83	n/a	n/a	0.83 – 0.89	0.92 – 0.99
Rosh Pinah	41 – 46	6 – 7	164 – 174	0.69 – 0.75	0.82 – 0.88
Santander	29 – 34	2 – 3	136 – 146	0.87 – 1.03	0.93 – 1.03
H2 2020 Guidance Total	**148 – 163**	**8 – 10**	**300 – 320**	**0.80 – 0.88**	**0.89 – 0.97**
FY 2020 Guidance	290 – 320	17 – 21	626 – 646	0.82 – 0.91	0.92 – 1.02

The above guidance excludes Caribou's operations which was placed on care and maintenance on March 26, 2020.

The Company expects C1 Cash Costs[1] and AISC[1] to begin H2 2020 at the higher end of the guided range and trend lower by the end of Q4 2020 as initiatives from the T90 Program continue to be implemented and their benefits are realized. Payable zinc production is expected to be moderately higher in Q4 2020 relative to Q3 2020, while payable lead and silver production is expected to be higher in Q3 2020 as compared to Q4 2020.

2020 C1 Cash Costs[1] and AISC[1] guidance reflect the annual benchmark terms of zinc concentrate treatment charges of $300 per tonne of concentrate. For every $10 per tonne change, C1 Cash Cost[1] and AISC[1] are impacted by approximately $0.01 per pound.

H2 2020 Capital Expenditure Guidance

		H2 2020 Guidance	FY 2020 Guidance
Sustaining Capital			
Perkoa	$m	6	11
Rosh Pinah	$m	5	13
Santander	$m	1	6
Total	$m	**12**	**30**
Expansionary Capital	$m	2	6
Exploration Capital	$m	1	4
Total	$m	**15**	**40**

The above guidance excludes Caribou's operations which was placed on care and maintenance on March 26, 2020. Capital expenditures for Caribou are estimated at $4.5 million for the full year of 2020.

Sustaining capital expenditures for H2 2020 reflect the planned expansion of the tailings storage facility at Perkoa and underground capital development at Perkoa and Rosh Pinah. At Santander there is limited sustaining capital planned for the remainder of 2020.

Exploration capital expenditures will be focused on the recommencement of drilling on the T3 deposit at Perkoa.

Trevali expects to publish the Rosh Pinah 2.0 Expansion Project prefeasibility study in Q3 2020 and optimization work will continue for the remainder of the year with this work being classified under expansionary capital. The investment decision initially planned for 2020 has been deferred and will be evaluated in the future.

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

Market Outlook

The short-term outlook for the zinc market has changed significantly during the first half of 2020. At the start of the year and prior to COVID-19 being declared a pandemic, 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.

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 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 and reached an estimate peak in April of 25% of global mine production.

While global smelting production was materially impacted in the first quarter of 2020, production capacity largely recovered to pre-COVID-19 levels early in the second quarter while mining operations were slower to restart. It was not until the end of June that the majority of mining operations that were suspended to control the spread of COVID-19 had restarted or were in the process of restarting. The risk of flare ups of COVID-19 and the re-imposition of controls and government restrictions on mining operations remain. As a result, the concentrate market surplus that was forecast at the beginning of 2020 for the full year is now forecast to be a deficit. This has led to reduced spot zinc concentrate treatment charges relative to the annual benchmark reported in March at $300 per tonne. Trevali's concentrate off-take agreements reference the annual benchmark treatment charges. In July, the average imported zinc spot treatment charge for the month was reported to fall predominantly between $180 and $190 per tonne.

During Q2 2020, the London Metals Exchange ("LME") zinc price recovered from its four year low of $0.82 per pound reached in March and averaged $0.89 per pound for the quarter. Subsequent to June 30, 2020, the spot LME zinc price increased and averaged $0.98 per pound for the month of July, reflecting a 20% increase from the year to date low as warehouse inventories remained close to historic lows. The significant curtailment of global mine production in H1 2020, should continue to provide fundamental support for zinc prices over the course of 2020 as management believes demand will outweigh supply as global economic activity accelerates.

At the end of Q2 2020, total global exchange inventories reduced by 14,000 tonnes to 220,000 tonnes or an estimated 6 days of global consumption, compared to Q1 2020. This inventory level is well below historical averages of 18 days of global consumption and is also supportive of higher zinc prices.

CORPORATE DEVELOPMENTS

On March 3, 2020, the Company announced that Gerbrand van Heerden departed as Trevali's Chief Financial Officer ("CFO"). Matthew Quinlan was appointed Interim CFO.

On March 26, 2020, the Company announced the temporary suspension of operating activities at its Caribou mine near Bathurst, New Brunswick. The mine was placed on a care and maintenance program immediately to preserve the value of the mineral resource and mine assets. No timeline for a potential restart of operations has been defined.

On March 30, 2020, the Company announced that Jessica McDonald stepped down as Chair and a member of Trevali's Board of Directors. Jill Gardiner was appointed to the role of Board Chair and Ricus Grimbeek, President and CEO of Trevali, was appointed to the Board filling the seat left vacant by Ms. McDonald's retirement from the Board.

On March 30, 2020, the Company reported its Mineral Reserves and Mineral Resources statements as of December 31, 2019. Exploration successfully replaced and increased global zinc Measured and Indicated Resources at all mine sites aside from Perkoa where the 2019 mining depletion was only partially replaced. Lead and silver resources also increased compared to the comparative period.

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

Effective May 12, 2020, Dr. Mark Cruise, the founder and former Chief Executive Officer resigned from the Board of Directors.

On May 28, 2020, the Company issued its 2019 Sustainability Report including new performance targets and disclosures.

In Q2 2020 and on July 31, 2020, the Company obtained waivers under the terms of its revolving credit facility (the "Facility") to August 31, 2020. On August 6, 2020, further amendments to the Facility and a new credit facility with Glencore Canada Corporation, an affiliate of the Company's largest shareholder, Glencore plc (collectively "Glencore") were announced. See "Liquidity and Capital Resources".

CONSOLIDATED FINANCIAL RESULTS

The following table summarizes the change in net loss YTD and the quarter:

		YTD Q2'20 vs YTD Q2'19	Q2'20 vs Q2'19
Net loss for the 2019 period	$	(15,447)	(31,563)
Decrease in revenues		(112,868)	(39,608)
Expense components:			
Decrease in Mine operating expenses		54,507	24,965
Increase in General and administrative		(850)	(1,609)
Increase in Impairment		(149,757)	–
Decrease in Other items		7,588	25,629
Decrease in Income tax expense		21,841	2,805
Net (decrease) increase	$	(179,539)	12,182
Net loss for the 2020 period	$	(194,986)	(19,381)

Revenue amounts for Q2'19 in the table above have been restated to reflect the Company's change in accounting policy.

The net loss increased YTD Q2 2020 compared to the corresponding period of 2019 primarily because of lower revenues due to the lower zinc price and lower sales volumes, as well as the impairment of property, plant and equipment (net of a related deferred tax recovery) related to the Caribou and Santander mines and the Canadian, Peruvian and Namibian exploration properties that was recorded in Q1 2020, partially offset by a decrease in mine operating expenses and income tax expense.

The net loss decreased in Q2 2020 compared to the corresponding quarter of 2019 primarily due to other items including a $21.0 million increase in the settlement mark-to-market and a $6.8 million management restructuring and Caribou one-time care and maintenance expenses that occurred in Q2 2019. This decrease in net loss was partially offset by a decrease in revenues and related mine operating expenses due to lower sales volumes resulting from operational stoppages at Santander and Caribou and the lower zinc price.

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

Revenues

		YTD Q2'20	YTD Q2'19	YoY	Q2'20	Q1'20	Q2'19	Q2'20 vs Q1'20	Q2'20 vs Q2'19
Revenues									
Zinc revenue	$	154,770	262,983	–41%	66,331	88,439	108,233	–25%	–39%
Lead and silver revenue		17,631	31,863	–45%	9,241	8,390	16,221	10%	–43%
Smelting and refining costs		(77,760)	(87,337)	–11%	(32,883)	(44,877)	(42,157)	–27%	–22%
Net revenue	$	94,641	207,509	–54%	42,689	51,952	82,297	–18%	–48%
Average zinc LME price	$/lb	0.93	1.24	–25%	0.89	0.97	1.25	–8%	–29%
Average lead LME price	$/lb	0.80	0.89	–10%	0.77	0.83	0.86	–7%	–10%
Average silver LBMA price	$/oz	16.63	15.23	9%	16.33	16.93	14.89	–4%	10%
Sales quantities									
Payable zinc	Mlbs	163.4	218.6	–25%	72.3	91.1	93.2	–21%	–22%
Payable lead	Mlbs	13.2	22.1	–40%	7.4	5.8	12.1	28%	–39%
Payable silver	Mozs	0.4	0.7	–43%	0.2	0.2	0.4	0%	–50%

Revenue amounts for Q2'19 in the table above have been restated to reflect the Company's change in accounting policy.

The average zinc price in Q2 2020 as quoted on the LME of $0.89 per pound declined by 8% when compared to the previous quarter and 29% compared to Q2 2019. The price of lead also declined by 7% and 10% over the comparative periods, respectively.

Payable zinc sales declined by 21% over the prior quarter to 72.3 million pounds, which when combined with the reduction in zinc prices resulted in a 25% reduction in zinc revenues to $66.3 million in Q2 2020 when compared to Q1 2020.

Payable zinc sales declined compared to the corresponding quarter in the prior year due to three months less production from Caribou following the transition to care and maintenance at the end of March 2020 and the COVID-19 related operational disruptions at Santander which resulted in the temporary suspension of milling in April partially offset by the sale of opening inventory from the prior quarter.

Lead and silver revenues of $9.2 million increased by 10% from the prior quarter as a result of higher sales quantities, offsetting the lower prices of lead and silver in the quarter. The higher sales quantities of lead in Q2 2020 was a result of the timing of lead shipments from Rosh Pinah, which typically has two lead shipments, the first of which occurred during Q2 2020 and the second which is expected during Q4 2020. By-product revenues declined compared to corresponding quarter in the prior year due the transition of Caribou to care and maintenance at the end of March 2020 and the COVID-19 related operational disruptions at Santander during April.

Settlement Mark-to-Market

		Zinc	Lead
Spot 3-month future price as at March 31, 2020	$/lb	0.85	0.78
Provisionally priced metal – March 31, 2020	Mlbs	65.2	5.8
Average 3-month future price for March 2020	$/lb	0.87	0.79
Average Q2 LME price	$/lb	0.89	0.76
Provisionally priced metal – June 30, 2020	Mlbs	67.7	0.7
Average 3-month future price for June 2020	$/lb	0.92	0.80
Spot 3-month future price as at June 30, 2020	$/lb	0.94	0.82

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.

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

The $3.1 million settlement mark-to-market gain for Q2 2020 primarily reflects the increase in the estimated final zinc pricing from $0.87 per pound to $0.92 per pound at June 30, 2020 compared to the average zinc prices during Q1 2020 and Q2 2020 of $0.97 and $0.89 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 Q2 2020 sales occurring during the month of June.

Each $0.05 change in the zinc price per pound realized from the provisional price recorded of $0.92 per pound as at June 30, 2020 is estimated to result in a change of approximately $3.4 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 for the six-month period covering December 2019 to May 2020 at a price of $1.10 per pound.

As a result of the fixed-pricing arrangement which covered January to May 2020, net income for the six months ended June 30, 2020 was $8.0 million higher (Q2 2020: $0.8 million higher). In addition, as a direct result of COVID-19 and suspension of milling and transportation at Santander in April, less zinc concentrate was produced at Santander during April and May 2020 than was agreed to be delivered as part of the fixed-pricing arrangement, resulting in the financial settlement of a $0.8 million benefit that has been recorded to other income during Q2 2020. Further, in Q1 2020, as a result of Caribou being placed on care and maintenance on March 26, 2020, zinc concentrate was not 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 to other income.

Other Items

		YTD Q2'20	YTD Q2'19	YoY	**Q2'20**	Q1'20	Q2'19	Q2'20 vs Q1'20	Q2'20 vs Q2'19
Settlement mark-to-market loss (gain)	$	12,472	12,306	1%	(3,101)	15,573	17,876	–120%	–117%
(Gain) loss on foreign exchange		(367)	2,417	–115%	3,469	(3,836)	698	–190%	397%
Interest expense		4,416	4,310	2%	2,872	1,544	2,103	86%	37%
Restructuring expenses		5,428	6,832	–21%	–	5,428	6,832	–100%	–100%
Other income		(4,107)	(435)	844%	(1,765)	(2,342)	(405)	–25%	336%
	$	17,842	25,430	–30%	1,475	16,367	27,103	–91%	–95%

The decrease in other items during Q2 2020, compared to the comparative quarters is primarily due to the positive settlement mark-to-market adjustments due to the increase of the forward zinc price at the end of Q2 2020, where the comparative quarters had negative adjustments. Further, there were no restructuring expenses which the comparative quarters reported relating to changes in executive management in Q1 2020 and Q2 2019 and Caribou's transition to care and maintenance in Q1 2020. A foreign exchange loss was recognized in Q2 2020 as a result of the recovery in the exchange rate of the Canadian dollar, West African franc and Namibian dollar at June 30, 2020 compared to the U.S. dollar exchange rate at March 31, 2020.

Income Taxes

Current income tax expense of $0.2 million in Q2 2020 reflects withholding taxes and minimal corporate income taxes, similar to the prior quarter expense of $0.5 million but significantly less than the comparative quarter of the prior year of $1.8 million a result of lower zinc prices and sales volumes.

Deferred income tax recovery of $1.5 million for Q2 2020 declined compared to $15.1 million in Q1 2020 which reflected a significant deferred tax recovery related to the impairment of property, plant and equipment and exploration properties during the quarter.

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

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

PERKOA MINE, BURKINA FASO

		YTD Q2'20	YTD Q2'19	YoY	Q2'20	Q1'20	Q2'19	Q2'20 vs Q1'20	Q2'20 vs Q2'19
Production									
Ore mined	t	385,291	375,457	3%	192,258	193,033	184,566	–%	4%
Ore milled	t	373,911	360,664	4%	187,757	186,154	187,191	1%	–%
Zinc head grade		11.7%	14.2%	–18%	10.7%	12.8%	14.8%	–16%	–28%
Zinc recovery		89.7%	90.0%	–%	88.2%	91.0%	90.3%	–3%	–2%
Zinc concentrate grade		52.7%	49.6%	6%	52.1%	53.2%	49.3%	–2%	6%
Zinc payable	Mlbs	73.6	85.2	–14%	32.9	40.6	46.3	–19%	–29%
Sales									
Zinc payable	Mlbs	74.2	95.5	–22%	35.4	38.8	41.1	–9%	–14%
C1 Cash Cost[1]	$/lb	0.98	0.96	2%	1.06	0.92	0.89	15%	19%
AISC[1]	$/lb	1.08	1.03	5%	1.18	1.00	0.96	18%	23%
FINANCE									
Revenues, net[2]	$	37,458	83,755	–55%	17,410	20,048	30,779	–13%	–43%
Mine operating expenses		42,200	59,288	–29%	21,581	20,616	25,473	5%	–15%
Adjusted EBITDA[1]		(4,742)	24,467	–119%	(4,171)	(568)	5,306	–634%	–179%
Other expense (income)		12,988	10,205	27%	(3,633)	16,621	6,488	–122%	–156%
EBITDA[1]		(17,730)	14,262	–224%	(541)	(17,189)	(1,182)	97%	54%
Depreciation, depletion & amortization		10,490	17,979	–42%	5,103	5,387	8,141	–5%	–37%
EBIT[1]	$	(28,220)	(3,717)	–659%	(5,644)	(22,576)	(9,323)	75%	39%

[2] *Q2'19 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 Q2 2020 was 32.9 million pounds, a 19% and 29% reduction over the prior quarter and corresponding quarter in 2019, respectively. The reduction in payable zinc production from Q1 2020 is a result of reduced zinc head grades as lower grade stopes were mined in accordance with the mine plan primarily due to the deferral of the 310-Level sill recovery to Q3 2020 as well as lower zinc recoveries.

Payable zinc volumes sold for Q2 2020 decreased by 9% over the prior quarter and by 14% the corresponding quarter in 2019 due to lower production, partially offset by the sale of opening inventory from the prior quarter.

C1 Cash Cost[1] and AISC[1] in Q2 2020 increased by 15% and 18%, respectively, compared to the prior quarter, and increased by 19% and 23% compared to the corresponding quarter in 2019 as a result of the decrease in head grade that led to lower zinc production as well as increased treatment charges and freight costs, partially offset by T90 business improvement savings.

Adjusted EBITDA[1] in Q2 2020 decreased compared to the prior quarter as well as the corresponding quarter in 2019 primarily due to the decrease in revenues due to the lower zinc price and decreased payable zinc sales.

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

		YTD Q2'20	YTD Q2'19	YoY	Q2'20	Q1'20	Q2'19	Q2'20 vs Q1'20	Q2'20 vs Q2'19
Production									
Ore mined	t	347,412	338,344	3%	172,312	175,100	168,661	–2%	2%
Ore milled	t	361,443	342,753	5%	178,405	183,038	171,389	–3%	4%
Zinc head grade		7.7%	9.2%	–16%	7.2%	8.3%	8.8%	–13%	–18%
Lead head grade		1.2%	1.0%	20%	1.2%	1.1%	1.1%	9%	9%
Silver head grade	(ozs/t)	0.5	0.4	25%	0.5	0.6	0.4	–17%	25%
Zinc recovery		87.7%	87.3%	–%	88.3%	87.2%	86.1%	1%	3%
Lead recovery		71.8%	49.2%	46%	73.9%	69.6%	50.9%	6%	45%
Silver recovery		50.6%	34.8%	45%	44.5%	55.2%	33.1%	–19%	34%
Zinc concentrate grade		50.2%	49.3%	2%	51.1%	49.4%	48.5%	3%	5%
Lead concentrate grade		44.2%	35.7%	24%	48.1%	40.5%	38.6%	19%	25%
Zinc payable	Mlbs	45.4	50.8	–11%	20.9	24.4	24.0	–14%	–13%
Lead payable	Mlbs	6.1	3.5	74%	3.3	2.9	1.9	14%	74%
Silver payable	Moz	0.1	–	100%	–	0.1	–	–100%	0%
Sales									
Zinc payable	Mlbs	43.1	54.7	–21%	23.5	19.6	17.7	20%	33%
Lead payable	Mlbs	5.5	3.2	72%	5.5	–	3.2	100%	72%
Silver payable	Moz	0.1	–	100%	0.1	–	–	100%	100%
C1 Cash Cost[1]	$/lb	0.72	0.78	–8%	0.68	0.75	0.67	–9%	1%
AISC[1]	$/lb	0.88	0.96	–8%	0.82	0.93	0.88	–11%	–7%
FINANCE									
Revenues, net[2]	$	24,466	49,371	–50%	15,542	8,924	15,989	74%	–3%
Mine operating expenses		19,068	25,827	–26%	9,950	9,118	10,582	9%	–6%
Adjusted EBITDA[1]		5,398	23,544	–77%	5,592	(194)	5,407	2982%	3%
Impairment		31,524	–	100%	–	31,524	–	–100%	0%
Other (income) expense		(7,520)	3,510	–314%	3,141	(10,661)	5,395	129%	–42%
EBITDA[1]		(18,606)	20,034	–193%	2,451	(21,057)	12	112%	20325%
Depreciation, depletion & amortization		10,324	11,899	–13%	6,379	3,945	5,598	62%	14%
EBIT[1]	$	(28,930)	8,135	–456%	(3,928)	(25,002)	(5,586)	84%	30%

[2] Q2'19 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 Q2 2020 was 20.9 million pounds, 14% and 13% lower than the prior quarter and corresponding quarter in 2019, respectively. The decrease in payable zinc production from the prior quarter is a result of the delay in accessing a high-grade stope in order to secure safe working conditions as well as lower zinc head grades due to higher dilution. The decrease compared to the same period in 2019 is due to lower grades, partially offset by a slight improvement in the zinc recovery rate. Ore blending efforts to optimize grade and ore-type continue, improving the process plant stability and increasing ore processing rates.

Payable zinc volumes sold for Q2 2020 increased compared to the prior quarter and the corresponding quarter in 2019 due to the sale of the inventory in the current quarter that was produced in the prior quarter. Both Q1 2020 and Q1 2019 had an inventory build-up due to timing of shipments.

C1 Cash Cost[1] and AISC[1] improved by 9% and 11%, respectively, compared to the prior quarter, as a result of by-product credits from lead concentrate shipment, cost saving initiatives as part of the T90 business improvement program, partially offset by reduced payable zinc production. When compared to the corresponding quarter in 2019, C1 Cash Cost[1] and AISC[1] were comparable and 6% below, respectively, due to the higher grade lead concentrate shipment in the current quarter noted above, weakening in the quarterly average Namibian dollar exchange rate and cash preservation initiatives that were implemented on capital projects as part of the T90 business improvement program offset by increased zinc concentrate smelting and refining charges.

Adjusted EBITDA[1] in Q2 2020 increased compared to the prior quarter due to the increase in revenues resulting from the lead shipment noted above and higher zinc volumes. The increase compared to the corresponding quarter in 2019 is mainly due to due to lower mining and maintenance operating costs.

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

During Q1 2020, the Company performed an impairment review of its interest in the Gergarub project following the suspension of operations by the nearby Skorpion Zinc mine, which is the 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 (excluding an $11.8 million deferred tax recovery).

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

SANTANDER MINE, PERU

		YTD Q2'20	YTD Q2'19	YoY	Q2'20	Q1'20	Q2'19	Q2'20 vs Q1'20	Q2'20 vs Q2'19
Production									
Ore mined	t	350,296	395,281	–11%	148,892	201,404	197,573	–26%	–25%
Ore milled	t	353,239	437,707	–19%	137,982	215,257	223,761	–36%	–38%
Zinc head grade		5.3%	4.8%	10%	5.2%	5.3%	4.8%	–2%	8%
Lead head grade		0.7%	0.8%	–13%	0.6%	0.7%	0.7%	–14%	–14%
Silver head grade	oz/t	1.1	1.2	–8%	1.2	1.1	1.1	9%	9%
Zinc recovery		89.3%	87.6%	2%	90.0%	88.9%	86.5%	1%	4%
Lead recovery		83.1%	82.4%	1%	80.9%	84.3%	82.8%	–4%	–2%
Silver recovery		61.7%	62.7%	–2%	59.8%	63.0%	62.5%	–5%	–4%
Zinc concentrate grade		47.6%	47.4%	0%	48.1%	47.3%	47.0%	2%	2%
Lead concentrate grade		51.7%	50.7%	2%	49.1%	53.0%	48.1%	–7%	2%
Zinc payable	Mlbs	30.4	33.9	–10%	12.0	18.6	16.9	–36%	–30%
Lead payable	Mlbs	4.2	6.1	–31%	1.4	2.8	2.8	–50%	–50%
Silver payable	Moz	0.2	0.3	–33%	0.1	0.1	0.1	0%	0%
Sales									
Zinc payable	Mlbs	30.0	33.0	–9%	13.3	16.7	16.3	–20%	–18%
Lead payable	Mlbs	4.2	6.0	–30%	1.9	2.3	2.7	–17%	–30%
Silver payable	Moz	0.2	0.3	–33%	0.1	0.1	0.1	0%	0%
C1 Cash Cost[1]	$/lb	0.91	0.77	18%	1.02	0.84	0.81	21%	26%
AISC[1]	$/lb	1.06	0.97	9%	1.12	1.02	1.05	10%	7%
FINANCE									
Revenues, net[2]	$	22,652	35,485	–36%	9,794	12,858	16,788	–24%	–42%
Mine operating expenses		20,014	19,920	–%	9,540	10,474	10,368	–9%	–8%
Adjusted EBITDA[1]		2,638	15,565	–83%	254	2,384	6,420	–89%	–96%
Impairment		23,201	–		–	23,201	–	–100%	0%
Other (income) expense		1,382	(346)	499%	(1,066)	2,448	2,795	–144%	–138%
EBITDA[1]		(21,945)	15,911	–238%	1,320	(23,265)	3,625	106%	–64%
Depreciation, depletion & amortization		3,118	6,221	–50%	1,368	1,750	2,299	–22%	–40%
EBIT[1]	$	(25,063)	9,690	–359%	(48)	(25,015)	1,326	100%	–104%

[2] *Q2'19 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 11.9 million pounds in Q2 2020 was 36% and 30% below the prior quarter and the corresponding quarter in 2019, respectively. As a result of the State of Emergency declared in Peru, mill operations were suspended for a period of four weeks during April. Milling resumed operations on April 29, 2020 and concentrate transport resumed on May 14, 2020. On June 26, 2020 operations were temporarily suspended as a result of workers testing positive for COVID-19, with operations restarted on July 15, 2020.

Payable zinc volumes sold for Q2 2020 reduced compared to the prior quarter and corresponding quarter in 2019 due to lower production, partially offset by the sale of opening inventory from the prior quarter.

The 21% increase in C1 Cash Cost[1] compared to the prior quarter due to the higher zinc concentrate smelting and refining charges and lower payable zinc volumes, partially offset by efficiencies and cost savings including the T90 business improvement program. AISC[1] for Q2 2020 increased by only 10% over the prior quarter due to the implementation of cash preservation initiatives on capital projects, partially offsetting the increase in C1 Cash Cost[1] over the same period. C1 Cash Cost[1] and AISC[1] in Q2 2020 increased by 26% and 7%, respectively, compared to the corresponding quarter in 2019 is primarily due to the higher benchmark zinc concentrate smelting and refining charges and lower payable zinc volumes, partially offset by reduced costs including those realized as part of the T90 business improvement program.

Adjusted EBITDA[1] in Q2 2020 decreased compared to the prior quarter as well as the corresponding quarter in 2019 primarily as a result of 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 of $23.2 million (which includes exploration and evaluation assets of $7.7 million and excludes $4.2 million deferred tax recovery), as a result of the adverse change to the business environment caused by COVID-19.

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

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

CARIBOU MINE, CANADA

		YTD Q2'20	YTD Q2'19	YoY	**Q2'20**	Q1'20	Q2'19	Q2'20 vs Q1'20	Q2'20 vs Q2'19
Production									
Ore mined	t	191,817	425,478	–55%	–	191,817	211,389	–100%	–100%
Ore milled	t	195,305	432,413	–55%	–	195,305	221,628	–100%	–100%
Zinc head grade		5.5%	5.8%	–5%	–	5.5%	5.6%	–100%	–100%
Lead head grade		2.1%	2.4%	–13%	–	2.1%	2.3%	–100%	–100%
Silver head grade	(ozs/t)	1.9	2.3	–17%	–	1.9	2.2	–100%	–100%
Zinc recovery		78.1%	78.3%	–%	–	78.1%	78.6%	–100%	–100%
Lead recovery		62.2%	63.7%	–2%	–	62.2%	63.0%	–100%	–100%
Silver recovery		33.0%	38.5%	–14%	–	33.0%	38.0%	–100%	–100%
Zinc concentrate grade		45.6%	46.7%	–2%	–	45.6%	47.1%	–100%	–100%
Lead concentrate grade		36.0%	39.0%	–8%	–	36.0%	39.0%	–100%	–100%
Zinc payable	Mlbs	15.4	35.8	–57%	–	15.4	18.0	–100%	–100%
Lead payable	Mlbs	5.0	13.3	–62%	–	5.0	6.6	–100%	–100%
Silver payable	Moz	0.1	0.4	–75%	–	0.1	0.2	–100%	–100%
Sales									
Zinc payable	Mlbs	16.1	35.3	–54%	–	16.1	18.0	–100%	–100%
Lead payable	Mlbs	3.5	12.9	–73%	–	3.5	6.1	–100%	–100%
Silver payable	Moz	0.1	0.4	–75%	–	0.1	0.2	–100%	–100%
C1 Cash Cost[1]	$/lb	1.54	1.07	44%	–	1.54	1.09	–100%	–100%
AISC[1]	$/lb	1.73	1.21	43%	–	1.74	1.23	–100%	–100%
FINANCE									
Revenues, net	$	10,065	38,900	–74%	(57)	10,122	18,740	–101%	–100%
Mine operating expenses		16,496	34,062	–52%	(20)	16,516	16,553	–100%	–100%
Care and maintenance		3,947	–	100%	3,947	–	–	100%	100%
Adjusted EBITDA[1]		(10,378)	4,838	–315%	(3,984)	(6,394)	2,187	38%	–282%
Impairment		56,780	–	100%	–	56,780	–	–100%	–%
Other (income) expense		3,279	1,905	72%	132	3,147	3,698	–96%	–96%
EBITDA[1]		(70,437)	2,933	–2502%	(4,116)	(66,321)	(1,511)	94%	–172%
Depreciation, depletion & amortization		2,764	7,779	–64%	385	2,379	4,010	–84%	–90%
EBIT[1]	$	(73,201)	(4,846)	–1411%	(4,501)	(68,700)	(5,521)	93%	18%

[2] Q2'19 has been restated to reflect the Company's change in accounting policy as disclosed in the December 31, 2019 Financial Statements.

The Caribou 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. The change in operational status triggered an impairment review which resulted in a non-cash impairment charge of $56.8 million in Q1 2020.

Beginning April 2020, Caribou's care and maintenance costs are disclosed separately within operating expenses on the consolidated statement of operations. Care and maintenance costs during Q2 2020 were higher than those expected in future periods due to the winding down of activities.

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

EXPLORATION PROJECTS

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 and exploration programs remained on hold across all jurisdictions during Q2 2020.

Perkoa

The drilling program along the T3 horizon was halted at the end of March 2020, along with all regional exploration programs. There were no exploration activities at Perkoa during Q2 2020, however exploration is planned to resume in August with 3 holes targeting T3 during 2020.

Due to the shallow dipping T3 geometry and extension along strike, this drilling program will be undertaken from surface. This includes testing of the T3 lateral extents from surface with a step-out hole and two further holes in a triangulated pattern to fully test the constraints of T3.

Rosh Pinah

Surface exploration drilling along with surface electromagnetic surveys remained on hold during Q2 2020 but drilling from underground continued during the quarter under review. The underground drilling program is targeting the Western Orefield southern extension at depth as well as the down plunge extension of the AAB Orefield aiming for mineral resource conversion and exploration.

Santander

The drilling program targeting resource growth at Magistral, the Santander Pipe and Blanquita from both surface and underground was halted at the end of March 2020 and remained on hold during Q2 2020.

Interpretation, data processing and inversion of the 2019 – 2020 magneto-telluric survey continued during Q2 2020, preliminary results show anomalies indicating potential alteration systems generally associated with skarns and porphyry style mineralization at depth.

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.

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

LIQUIDITY AND CAPITAL RESOURCES

Balance Sheet Review

		June 30, 2020	December 31, 2019	Change
Cash and cash equivalents	$	19,321	24,468	–21%
Other current assets		84,644	104,248	–19%
Non-current assets		466,709	615,854	–24%
Total Assets		570,674	744,570	–23%
Current debt		126,378	11,850	966%
Accounts payables and accrued liabilities		52,679	67,076	–21%
Non-current liabilities		137,912	217,196	–37%
Non-controlling interest		(12,513)	(6,978)	–79%
Equity attributable to owners of Trevali		266,218	455,428	–42%
Total Liabilities and Equity		570,674	744,570	–23%

Other current assets have decreased by 19% since year-end due to the decrease in settlement receivables caused by a reduction in sales volumes and a reduction of inventory levels.

The 24% decrease in non-current assets is attributable to the Q1 2020 non-cash impairment of $153.4 million to the property, plant and equipment at Caribou and Santander mines and the exploration and evaluation assets related to the Canadian, Peruvian and Namibian properties.

The increase in current debt is due to the reclassification of the Facility from non-current liabilities to current debt, as well as draws on the Facility since year-end totalling $48.9 million. See “Financial Condition, Liquidity Risk and Going Concern”.

Accounts payable and accrued liabilities have decreased since year-end as a result of Caribou’s transition to care and maintenance at the end of Q1 2020 with a related decrease in payables consistent with the decrease in operating costs.

The decrease in non-current liabilities is primarily due to the reclassification of the Facility balance to current liabilities, as well as a decrease in the deferred tax liabilities due to the impairment of non-current assets.

Financial Condition, Liquidity Risk and Going Concern

		June 30, 2020	December 31, 2019	Change
Total debt	$	131,418	78,608	67%
Cash and cash equivalents		19,321	24,468	–21%
Net debt		112,097	54,140	107%
Working capital		(75,092)	49,792	–251%

The Company’s primary sources of liquidity and capital resources are cash and temporary investments, cash flow provided from operations, and amounts available under credit agreements. The financial position and liquidity of the Company has weakened significantly in 2020 primarily as a result of the COVID-19 pandemic and resulting deterioration in the price of zinc and lead.

VAT receivables of $8.3 million are subject to a VAT factoring facility, secured against refund applications for recoverable VAT receivables in Burkina Faso, with an outstanding facility balance as of June 30, 2020 of $6.7 million. In addition, the Company has $5.7 million of settlement receivables which are subject to a receivable factoring facility, secured against settlement receivables in Burkina Faso, with an outstanding facility balance as of June 30, 2020 of $3.8 million.

Total debt at June 30, 2020 includes leases of $4.8 million.

The Company has an unsecured overdraft facility at Rosh Pinah with an available amount of approximately $4.4 million (80.0 million Namibian Dollars). As at June 30, 2020 the overdraft facility was undrawn.

In September 2018, the Company entered into a $275.0 million facility with a syndicate of lenders of which $115.9 million was drawn as at June 30, 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

To avoid a breach of covenants related to the Facility, during the three months ended June 30, 2020, the Company obtained covenant waivers until July 31, 2020. Certain terms of the Facility were amended, including a reduction of the amount available under the Facility to $125.0 million, a permanent reduction in the size of the Facility to $200.0 million, an increase in the interest rates and commitment fees payable, additional reporting requirements, restrictions on certain investments and distributions, as well as the addition of 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. As of June 30, 2020, $0.1 million was available under the Facility.

On July 31, 2020, the Company obtained a further covenant waiver until August 31, 2020.

On August 6, 2020, the Company obtained a further covenant waiver until December 31, 2020. Certain terms of the Facility were amended, including an increase of the amount available under the Facility from $125.0 million to $135.0 million, an increase in the interest rate and commitment fees payable to LIBOR plus 5.50% and 1.25% respectively, a permanent reduction in the size of the Facility to $150.0 million and the elimination of the minimum liquidity covenant.

As the covenant waiver of the Facility in effect on June 30, 2020 does not extend for a period of at least 12 months, the Facility balance is classified as a current liability as at June 30, 2020 which caused the significant decline in working capital to a deficiency of $75.1 million compared to positive working capital of $49.8 million at December 31, 2019.

The Company will not generate sufficient funds from operations to repay the Facility upon expiration of the covenant waiver on December 31, 2020 and will need to generate funds from other sources to do so or will need an extension or refinancing of the Facility. There can be no assurance 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”).

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 the Company will meet the covenants under the Facility, or that the Company will be successful in renegotiating or refinancing the Facility.

On August 6, 2020, the Company entered into a second lien secured facility agreement (“Glencore Facility”) with Glencore, up to a maximum of $20.0 million. Under the terms of the agreement, Glencore will advance to the Company amounts equal to the volume of dry metric tonnes of zinc concentrate delivered to Glencore in a given month multiplied by the difference between the annual benchmark treatment charge (“TC”) and the average monthly spot TC.

Advances under the Glencore Facility will be applicable to deliveries of zinc concentrate between June 2020 and December 2020. Amounts outstanding of under the Glencore Facility will bear interest at the same rate as the Revolving Credit Facility. The Glencore Facility ranks subordinate to the Revolving Credit Facility and has a maturity date of September 18, 2022.

The Company’s ability to continue as a going concern is dependent upon its ability to generate cash flow from operations and 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.

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

Cash Flows

		YTD Q2'20	YTD Q2'19	YoY	Q2'20	Q1'20	Q2'19	Q2'20 vs Q1'20	Q2'20 vs Q2'19
Operating cash flows before changes in working capital	$	(27,595)	35,075	–179%	(2,133)	(25,462)	(7,486)	92%	–72%
Changes in working capital		1,243	44,861	–97%	(9,674)	10,917	56,501	–189%	–116%
Net cash (used in) provided by operating activities		(26,352)	79,936	–132%	(11,807)	(14,545)	49,015	19%	–122%
Net cash used in investing Activities		(27,217)	(33,880)	26%	(9,229)	(17,988)	(20,866)	49%	64%
Net cash provided by (used in) financing activities		49,244	(59,545)	183%	21,693	27,551	(16,287)	–21%	233%

The decrease in cash used in operating activities before changes in working capital in Q2 2020 compared to the prior quarter and the corresponding quarter of 2019 is attributable to Caribou being placed on care and maintenance in March 2020 offset by decreased revenues due to lower sales volumes and lower zinc and lead prices. Changes in working capital in Q2 2020 are due to a decrease in settlement receivables and a decrease in accounts payable and accrued liabilities as a result of Caribou's transition to care and maintenance, partially offset by a reduction of inventory levels and the collection of value-added tax receivables.

Investing activities in Q2 2020 consisted primarily of capital and exploration expenditures. The amount spent during the quarter was less than comparative periods as the Company cancelled or deferred non-critical sustaining and expansionary capital. Expansionary capital of $0.9 million incurred during Q2 2020 related to the completion of studies for the RP2.0 project at Rosh Pinah together with the digitization projects across the business.

Cash provided by financing activities during Q2 2020 consists primarily of a $18.9 million draw on the Facility as compared to a draw on the Facility of $30.0 million in Q1 2020. There was a $13.0 million repayment on the Facility during Q2 2019. Other amounts consisting of lease and interest payments remain consistent with prior quarters.

QUARTERLY FINANCIAL RESULTS

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

	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19	Q1'19	Q4'18	Q3'18
Revenues	42,689	51,952	91,466	87,135	82,297	125,213	121,763	73,095
Zinc sales (Mlbs payable)	72	91	110	111	93	125	124	76
EBITDA[1]	(4,312)	(174,888)	19,611	12,945	(7,443)	46,674	(271,499)	(22,401)
Adjusted EBITDA[1]	(5,709)	(6,646)	20,364	22,487	17,558	46,455	39,416	21,249
Net (loss) income	(19,381)	(175,605)	(3,833)	(16,131)	(31,563)	16,116	(251,778)	(30,846)
Net (loss) income per share - basic and diluted	(0.02)	(0.22)	0.00	(0.02)	(0.04)	0.02	(0.29)	(0.04)
Adjusted (loss) income per share[1]	(0.03)	(0.01)	0.00	(0.01)	(0.01)	0.02	0.01	(0.04)

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

FINANCIAL RISK MANAGEMENT

Liquidity risk is the risk that the Company will be unable to satisfy 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.

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 to actual results. Spending and capital investment plans may 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 Q2 2020 by $0.8 million (YTD 2020: $8.8 million) and a further gain of $0.8 million (YTD 2020: $3.1 million) recorded to other income in respect of fixed-pricing quantities that will not be delivered due to lower production at Santander.

The Company remains positive in the 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 YTD 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.

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 attempts to mitigate 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 periods if the revision affects both current and future periods.

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.

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

- <u>Going concern</u>

  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.

- <u>COVID-19 Economic Uncertainty</u>

  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.

  The Company has made continued 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.

  During Q1 2020, non-cash, pre-tax asset impairments were recorded totaling $153.4 million ($137.4 million net of taxes) to the property, plant and equipment at Caribou and Santander mines and the exploration and evaluation assets related to the Canadian, Peruvian and Namibian properties. There is heightened potential for further impairments over the balance of 2020. 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 asset valuations. As an understanding of the longer-term impacts of COVID-19 on commodity, credit and equity markets continues to develop, there is heightened potential for changes in these estimates over the balance of 2020.

  During Q2 2020, milling operations at Santander were suspended for a period of time resulting in inefficiencies and affecting financial results.

- <u>Assessment of Impairment Indicators</u>

  Judgment is required in assessing whether certain factors would be considered an indicator of impairment or impairment reversal. Both internal and external information are considered when determining whether there is an indicator of impairment or impairment reversal present and, accordingly, whether impairment testing is required. The information considered in assessing whether there is an indicator of impairment or impairment reversal includes, but is not limited to, market transactions for similar assets, commodity prices, interest rates, inflation rates, market capitalization, reserves and resources, mine plans and operating results.

  As at June 30, 2020, no indicators of impairment were identified at any assets and as a result, no impairment testing was performed. During Q1 2020, impairment testing was performed on the Caribou and Santander mines as well as Canadian, Peruvian and Namibian exploration properties due to the adverse business climate caused by COVID-19, the lower zinc price and the decision to place Caribou on care and maintenance, as outlined below.

- 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.

  As at June 30, 2020, no impairment indicators relating to any assets were identified and as a result, no impairment testing was performed.

  During Q1 2020, non-cash, pre-tax asset impairments were recorded totaling $153.4 million ($137.4 million net of taxes) to the property, plant and equipment at Caribou and Santander mines and the exploration and evaluation assets related to the Canadian, Peruvian 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 an average LME zinc price of $0.98 per pound in 2020 and increases to a long-term price of $1.14 per pound in 2024.

  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.

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.

OFF-BALANCE SHEET ARRANGEMENTS

The Company currently has no off-balance sheet arrangements.

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

RELATED PARTY TRANSACTIONS AND BALANCES

Glencore

As of June 30, 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:

		YTD Q2'20	YTD Q2'19	YoY	**Q2'20**	Q1'20	Q2'19	Q2'20 vs Q1'20	Q2'20 vs Q2'19
Net revenue on concentrate sales	$	94,641	207,509	–54%	42,689	51,952	82,297	–18%	–48%
Settlement mark-to-market loss (gain)		12,472	12,306	–1%	(3,101)	15,573	17,876	120%	117%
Other income[1]		3,075	–	100%	775	2,300	–	–66%	100%

Revenue amounts for Q2'19 in the table above have been restated to reflect the Company's change in accounting policy.

		June 30, 2020	December 31, 2019
Settlement receivables	$	22,747	32,472
Payable	$	28	73

[1] *Relates to the settlement of the fixed pricing arrangement for the Caribou and Santander mines.*

P.E. Minerals Namibia (Proprietary) Limited

P.E. Minerals Namibia (Proprietary) Limited is a minority shareholder of Rosh Pinah and is the mining license holder, with the Company paying a market rate lease. This mining licence expires on November 12, 2020, and a renewal application was submitted to the Ministry of Mines and Energy in Namibia on November 8, 2019. Management does not foresee any reason for the license application to be denied.

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 Interim 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 Interim 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 Q2 2020, all corporate office staff and many site administrative staff continue to be given the option to work from home, a move which was initiated in Q1 2020. 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 and six months ended June 30, 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.

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.

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

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.

		YTD Q2'20	Q2'20
Net loss	$	(194,986)	(19,381)
Current income tax		763	214
Deferred income tax recovery		(16,577)	(1,487)
Interest expense		4,416	2,872
EBIT		(206,384)	(17,782)
Depreciation, depletion and amortization		27,184	13,470
EBITDA		(179,200)	(4,312)
Settlement mark-to-market		12,472	(3,101)
Other income		(4,107)	(1,765)
Restructuring expenses		5,428	–
Impairment		153,419	–
(Gain) loss on foreign exchange		(367)	3,469
Adjusted EBITDA	$	(12,355)	(5,709)
Net loss	$	(194,986)	(19,381)
(Gain) loss on foreign exchange		(367)	3,469
Restructuring expenses		5,428	–
Impairment		153,419	–
Other income		(4,107)	(1,765)
Settlement mark-to-market		12,472	(3,101)
Adjusted net loss	$	(28,141)	(20,778)
Loss per Share	$	(0.24)	(0.02)
Adjusted Earnings per Share	$	(0.04)	(0.03)
Weighted average number of shares outstanding – basic ('000)		802,562	802,562

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.

		June 30, 2020	December 31, 2019
Revolving Credit Facility, net of fees	$	113,243	63,730
Other loan		2,912	–
VAT factoring facility		6,654	7,822
Receivables factoring facility		3,812	–
		126,621	71,552
Leases		4,797	7,056
Total debt	$	131,418	78,608
Less: cash and cash equivalents		19,321	24,468
Net debt	**$**	112,097	54,140

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 of payable zinc produced does not include depreciation, depletion, and amortization, reclamation expenses, capital sustaining and exploration expenses.

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

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 of zinc payable produced does not include depreciation, depletion, and amortization, reclamation and exploration expenses.

		Q2 2020				
		Perkoa	Rosh Pinah	Santander	Caribou	Total
Mining	$	7,781	2,633	3,944	(1)	14,357
Processing		4,583	1,657	1,599	(19)	7,820
Maintenance		790	1,235	1,341	1	3,367
General and administrative		3,567	1,112	1,258	–	5,937
Smelting and refining		14,555	10,089	6,113	20	30,777
Distribution		2,941	933	585	(1)	4,458
Royalties		575	927	25	–	1,527
Less: By-product revenues		–	(4,306)	(2,799)	(30)	(7,135)
C1 total costs		34,792	14,280	12,066	(30)	61,108
Sustaining CAPEX		3,016	2,800	1,217	–	7,033
Lease payments		1,094	–	–	–	1,094
AISC total costs	$	38,902	17,080	13,283	(30)	69,235
Pounds of zinc payable produced	Mlbs	32.9	20.9	12.0	–	65.8
C1 Cash Cost	$/lbs	1.06	0.68	1.02	–	0.93
AISC	$/lbs	1.18	0.82	1.12	–	1.056
		Q2 2019				
		Perkoa	Rosh Pinah	Santander	Caribou	Total
C1 Cash Cost	$/lbs	0.89	0.67	0.81	1.09	0.86
AISC	$/lbs	0.96	0.88	1.05	1.23	1.00

		YTD Q2 2020				
		Perkoa	Rosh Pinah	Santander	Caribou	Total
Mining	$	15,643	6,449	8,354	7,224	37,670
Processing		9,021	3,772	4,132	6,350	23,275
Maintenance		1,784	2,836	3,194	894	8,708
General and administrative		7,948	2,681	2,237	1,772	14,638
Smelting and refining		30,745	18,061	14,466	9,667	72,939
Distribution		6,330	1,869	1,243	354	9,796
Royalties		754	1,280	53	–	2,087
Less: By-product revenues		–	(4,275)	(5,999)	(2,534)	(12,808)
C1 total costs		72,225	32,673	27,680	23,727	156,305
Sustaining CAPEX		5,146	7,084	4,488	2,943	19,661
Lease payments		2,188	–	–	28	2,216
AISC total costs	$	79,559	39,757	32,168	26,698	178,182
Pounds of zinc payable produced	Mlbs	73.6	45.4	30.4	15.4	164.7
C1 Cash Cost	$/lbs	0.98	0.72	0.91	1.54	0.95
AISC	$/lbs	1.08	0.88	1.06	1.73	1.08
		YTD Q2 2019				
		Perkoa	Rosh Pinah	Santander	Caribou	Total
C1 Cash Cost	$/lbs	0.96	0.78	0.77	1.07	0.90
AISC	$/lbs	1.03	0.96	0.97	1.21	1.04

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:

	Year-to-date	Quarterly
	Q2'20	Q2'20
Additions to property, plant and equipment	23,805	8,341
Sustaining capital expenditures	19,661	7,033
Non-operational capital expenditures[1]	433	387
Expansionary capital expenditures	3,711	921

[1] Includes capital expenditures for Corporate and Caribou for the period on care and maintenance.

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.