MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE AND SIX MONTHS ENDED JUNE 30, 2019

TREVALI

This Management's Discussion & Analysis ("MD&A") is dated as of July 31, 2019 and should be read in conjunction with our condensed interim consolidated financial statements and notes thereto for the three and six months ended June 30, 2019 and our audited consolidated financial statements and notes thereto for the year ended December 31, 2018. In this MD&A, a reference to "Trevali", the "Company", "us", "we" or "our" refers to Trevali Mining Corporation and its subsidiaries. Additional information about us, including our Annual Information Form and Management's Discussion and Analysis for the year ended December 31, 2018, 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

- **Excellent safety performance with a 67% reduction in Total Recordable Injury Frequency** in the first half of 2019 compared to prior year.
- **Published our inaugural Sustainability Report** on June 24, 2019, reflecting our commitment to transparency. We received a leading Environment, Social and Governance quality score from Institutional Shareholders Services.
- **Record quarterly zinc production of 105.2 million payable pounds.** Annual production trending to the high-end of 2019 production guidance, with opportunities to exceed.
- **Operating efficiencies delivered meaningful cost improvements.** Costs outperformed expectations with 9% quarterly reduction of C1 Cash Cost[1] offsetting increases in smelting and refining charges. Maintaining 2019 C1 Cash Cost[1] and AISC[1] guidance, trending towards the middle of previously guided ranges.
- **Rosh Pinah 2.0 internal study complete and advancing to next phase;** indicating potential for strong IRR and up to 50% increase in output.
- **Net debt[1] reduced by $26.9 million during the quarter.** Continue to maintain a strong balance sheet with net debt reduced to $34.8 million at June 30, 2019.
- **Zinc Spot Price Adjusted EBITDA[1] of $7.0 million** (Adjusted EBITDA[1] is ($0.3) million) during the second quarter impacted by lower sales volumes of 93.2 million pounds of zinc payable and build-up of 5.3 million pounds of inventory; June 30, 2019 zinc monthly average spot price = $1.18 per pound.
- **Derek du Preez appointed to the new position of Chief Technology Officer,** effective July 29, 2019, and **Amber Johnston-Billings appointed to the new position of Chief Sustainability Officer,** effective September 9, 2019.

		YTD Q2'19	YTD Q2'18	YoY	**Q2'19**	Q1'19	Q2'18	Q2'19 vs Q1'19	Q2'19 vs Q2'18
Zinc payable production	Mlbs	205.8	202.6	2%	105.2	100.6	103.9	5%	1%
Lead payable production	Mlbs	22.9	22.8	0%	11.4	11.5	10.5	–1%	9%
Silver payable production	Moz	0.7	0.7	0%	0.3	0.4	0.3	–25%	0%
Revenue	$	195,203	248,632	–21%	64,421	130,782	133,914	–51%	–52%
Adjusted EBITDA[1]	$	51,707	117,275	–56%	(318)	52,025	68,197	–101%	–100%
Net (loss) income	$	(15,447)	52,030	–130%	(31,563)	16,116	23,454	–296%	–235%
Net (loss) income per share	$	(0.02)	0.06	–133%	(0.04)	0.02	0.03	–300%	–233%
C1 Cash Cost[1]	$/lb	0.90	0.74	22%	0.86	0.95	0.68	–9%	26%
AISC[1]	$/lb	1.04	0.88	18%	1.00	1.07	0.85	–7%	18%

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

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

OUR BUSINESS

Trevali is a natural resource company engaged in the acquisition, exploration, development and production of mineral properties. We are one of the top ten zinc producers in the world. Trevali is focused on growing production, increasing cash flow and enhancing value for its shareholders.

We produce zinc concentrates from the Perkoa mine in Burkina Faso, and zinc and lead-silver concentrates from the Rosh Pinah mine in Namibia, the Caribou mine in the Bathurst Mining Camp, northern New Brunswick, Canada and the Santander mine in Peru. In addition, Trevali owns the Halfmile project, the Stratmat and Restigouche polymetallic deposits, the Ruttan deposit in northern Manitoba, Canada and an effective 44% interest in the Gergarub project in Namibia as well as an option to acquire a majority position in the Heath Steele deposit located in New Brunswick, Canada.

FINANCIAL AND OPERATIONAL SUMMARY

The following table sets forth selected consolidated financial and operating information for each of our eight most recently completed quarters:

	Q2'19	Q1'19	Q4'18	Q3'18	Q2'18	Q1'18	Q4'17	Q3'17
Revenues	**64,421**	130,782	123,418	30,539	133,914	114,718	188,771	64,399
Zinc sales (Mlbs)	**93**	125	124	76	114	89	139	44
EBITDA[1]	**(7,443)**	46,674	(271,499)	(22,401)	58,785	58,546	56,275	20,013
Adjusted EBITDA[1]	**(318)**	52,025	41,082	(21,307)	68,197	49,077	56,046	34,809
Net (loss) income	**(31,563)**	16,116	(251,778)	(30,846)	23,454	28,575	25,174	(7,754)
Net (loss) income per share – basic and diluted	**(0.04)**	0.02	(0.29)	(0.04)	0.03	0.03	0.03	(0.01)
Adjusted (loss) income per share[1]	**(0.03)**	0.03	0.01	(0.04)	0.04	0.02	0.03	0.01

Despite the 2% rise in quarterly average zinc prices in the second quarter, zinc prices declined significantly during May and June. The $0.15 per pound decline in the average 3-month future price of zinc from March to June, combined with the timing of sales year-to-date, resulted in a second quarter provisional pricing adjustment of ($17.1) million, of which $14.0 million is directly price-related and $3.1 million is volume-related. The spot to 3-month backwardation in the month of June was exceptionally large, resulting in a larger-than-expected provisional pricing adjustment on unsettled sales. IFRS requires the use of a forward price, however the impact of using the monthly average spot zinc price would have increased revenues by $7.3 million for both Q2 2019 and YTD. Additionally, the increase in 2019 zinc concentrate smelting and refining benchmark terms has already been provided for on 2019 production.

Net loss in the second quarter of 2019 was $31.6 million or $0.04 per share, compared to net income of $23.5 million or $0.03 per share, over the same period a year ago. While there were other offsetting movements in 2019, the decrease of income per share in the second quarter of 2019 can be attributed to lower sales volumes, a decline in the price of zinc during the quarter and the compounding effect of negative provisional pricing adjustments, as well as restructuring expenses. The slight shortfall in sales for the quarter is already well on track to be corrected during Q3, with a dedicated Marketing and Logistics function strengthening logistics within the group. Concentrate inventories at quarter end were higher than anticipated at Rosh Pinah due to elevated moisture levels necessitating additional drying time negatively impacting sales volumes. A new zinc concentrate filter press at the mine continues to be on track for installation by year end 2019 and is expected to reduce concentrate sales volatility.

The Company's mining activities are conducted throughout the year, and there are no notable variations due to seasonality. The Company saw a step up in all metrics in the fourth quarter of 2017, which was the first full quarter of operations following the acquisition of the Rosh Pinah and Perkoa mines. From this point onwards, EBITDA[1] and net (loss) income saw a period of stability until the third quarter of 2018 which was negatively impacted by a provisional pricing adjustment of $42.6 million and the fourth quarter of 2018 when a net impairment of $263.0 million was recorded.

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

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

EBITDA[1] and net income (loss) for first quarter of 2019 was lower than the corresponding quarter from 2018, despite higher sales volumes, due to higher smelting and refining charges and lower zinc prices, while the second quarter of 2019 was additionally negatively impacted by a zinc provisional pricing adjustment of $17.1 million, of which $14.0 million is price-related and $3.1 million is volume-related.

		YTD Q2'19	YTD Q2'18	YoY	**Q2'19**	Q1'19	Q2'18	Q2'19 vs Q1'19	Q2'19 vs Q2'18
Production									
Ore mined	t	1,534,561	1,597,381	–4%	762,189	772,372	807,166	–1%	–6%
Ore milled	t	1,573,537	1,564,149	1%	803,969	769,568	820,214	4%	–2%
Zinc head grade		8.2%	8.0%	3%	8.2%	8.2%	7.9%	0%	4%
Lead head grade		1.4%	1.4%	0%	1.4%	1.5%	1.3%	–7%	8%
Silver head grade	(ozs/t)	1.4	2.7	–48%	1.3	1.4	1.5	–7%	–13%
Zinc recovery		86.7%	87.5%	–1%	86.5%	86.9%	87.3%	0%	–1%
Lead recovery		64.6%	50.1%	29%	64.2%	65.0%	62.2%	–1%	3%
Silver recovery		45.8%	15.5%	195%	45.2%	46.4%	44.1%	–3%	2%
Zinc payable	Mlbs	205.8	202.6	2%	105.2	100.6	103.9	5%	1%
Lead payable	Mlbs	22.9	22.8	0%	11.4	11.5	10.5	–1%	9%
Silver payable	Moz	0.7	0.7	0%	0.3	0.4	0.3	–25%	0%
Sales									
Zinc payable	Mlbs	218.6	203.7	7%	93.2	125.4	114.2	–26%	–18%
Lead payable	Mlbs	22.1	21.1	5%	12.1	10.0	13.2	21%	–8%
Silver payable	Moz	0.7	0.7	0%	0.4	0.4	0.4	0%	0%
Cost per unit									
C1 Cash Cost[1]	$/lb	0.90	0.74	22%	0.86	0.95	0.68	–9%	26%
AISC[1]	$/lb	1.04	0.88	18%	1.00	1.07	0.85	–7%	18%

Quarterly zinc payable production was 105.2 million pounds, a record for Trevali and a 5% increase from 100.6 million pounds in the previous quarter and 1% higher than Q2 2018. Ore tonnes milled at Perkoa, Santander and Caribou improved sequentially, with overall grades better than planned due to improved dilution control, primarily at Perkoa and Caribou.

Zinc payable sales in the second quarter were 93.2 million pounds, a 26% decrease from Q1 2019 that benefited from a catch-up on sales of 2018 concentrate inventory and 18% below Q2 2018. The lower sales volume due to a build-up during Q2 2019 of 5.2 million pounds of zinc payable valued at $6.2 million, using June 30, 2019 spot price, combined with a reduction in the price of zinc during the quarter and the corresponding impact on provisional price adjustments, negatively impacted revenues in the quarter. Cost per unit during the quarter have reduced compared to Q1 2019 which saw higher sales volumes distributed over lower production volumes increasing the cost per unit which are calculated on a payable production basis, thereby normalizing the YTD costs. YTD costs in the prior year are lower as they benefited from lower zinc concentrate smelting and refining rates and the release of provisions.

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

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

A reconciliation of Adjusted EBITDA[1] from Q1 2019 to Q2 2019 is provided in the figure below. The negative $23.4 million provisional sales adjustment in Figure A represents the combined impact of a positive $5.7 million adjustment in Q1 2019 and a negative $17.1 million adjustment in Q2 2019, driven by an average zinc price decrease of $0.15 per pound during the quarter.

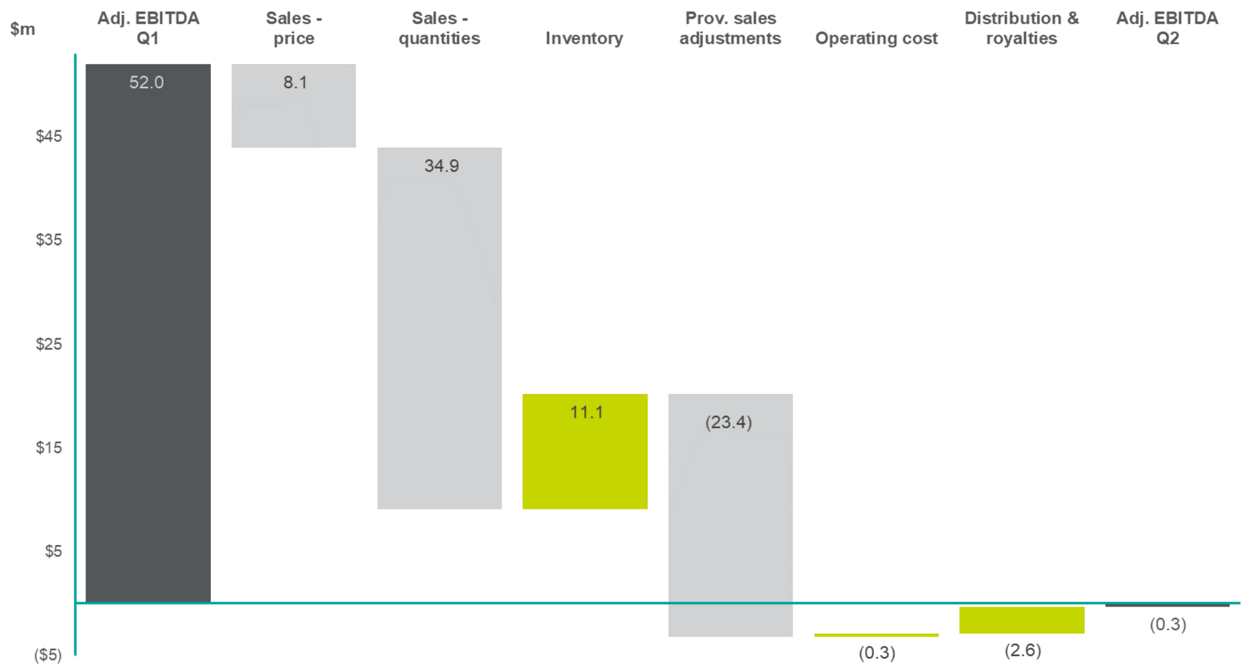

Figure A: Adjusted EBITDA[1] reconciliation Q2'19 vs Q1'19

C1 Cash Cost[1] in Q2 2019 was $0.86 per pound compared to $0.95 per pound in Q1 2019 and $0.68 per pound in Q2 2018. The significant increase from Q2 2018 mainly resulted from the increase of industry benchmark zinc concentrate smelting and refining charges from $147 per tonne in 2018 to $245 per tonne in 2019 (equates approximately to $0.28 per pound). Relative to Q1 2019, the improvement in C1 Cash Cost[1] reflects higher production volumes as well as fewer offsite costs associated with the lower sales volumes and a continued focus on operating efficiency. AISC[1] was $1.00 per pound, a $0.07 per pound reduction from the prior quarter primarily for the same reasons that benefited C1 Cash Cost[1].

OUTLOOK

Commodity Markets

In addition to our operating results, financial performance is directly affected by several factors, including metals prices, foreign exchange rates and input costs, including energy prices. The average LME metals prices are included below, while the Q2 2019 average zinc price increased 2% compared to the previous quarter, the price had been trending steadily downwards to a low at period end.

LME Average		**YTD Q2'19**	YTD Q2'18	YoY	**Q2'19**	Q1'19	Q2'18	Q2'19 vs Q1'19	Q2'19 vs Q2'18
Zinc spot price	$/lb	1.24	1.48	–16%	1.25	1.23	1.41	2%	–11%
Lead spot price	$/lb	0.89	1.11	–20%	0.86	0.92	1.08	–7%	–20%
Silver spot price	$/oz	15.23	16.65	–9%	14.89	15.57	16.53	–4%	–10%

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

Despite economic headwinds in recent months weighing on global zinc demand, which is forecast by Wood Mackenzie to contract by 1% in 2019, we believe the fundamental outlook for the zinc market is supportive of higher prices. Refined zinc supply continues to be constrained as smelter production in the first half of 2019 has been well below market expectations at the start of the year, which called for annual growth of over 6%. Zinc smelters globally continue to underperform due to the ongoing impact of production cutbacks in the face of the environmental regulations at Chinese smelters and a number of production issues at smelters in the rest of the world. As a result, 2019 global refined supply growth is now forecast by Wood Mackenzie at just 2%. Should the latest smelter production growth rates materialize, 2019 is still forecast to see another deficit in the refined zinc market. Additionally, the current zinc price volatility and weakness may limit supply growth from marginal and restarting operations, helping to remove additional supply. As a consequence, exchange inventories of zinc are forecast to remain at depressed levels for the remainder of the year, providing fundamental support to the zinc price.

Sensitivity Analysis

The Company previously disclosed the effect of changes in the zinc price on the Company's 2019 revenue and net income outlook, based on an assumed production of 401 million pounds of payable zinc, in our Management Discussion and Analysis for the year ended December 31, 2018. This sensitivity analysis has been updated to reflect the impact of the finalized increase in smelting and refining costs for 2019 which results in a decrease of $29 million in each of net revenue, EBITDA[1] and net income.

Zinc concentrate industry benchmark smelting and refining charge terms for 2019 have not been finalized. However, terms are expected to be finalized shortly at market terms, in line with our expectations during Q1 2019 but above our expectations at the start of the year when 2019 cost guidance was declared. The higher off-site costs are expected to add $0.07 per pound of zinc payable sold. The Company has revisited the C1 Cash Cost[1] and AISC[1] guidance and concluded that, despite the unexpected increase, no changes are required to the original guidance. We maintain a strong focus on controlling operating costs, enhancing Trevali's position to generate cash flow despite the recent decline in zinc prices. Given our results year-to-date, along with our expectations for the rest of 2019, full year AISC[1] results are firmly on track to be within guidance, trending towards the middle of the ranges provided with an enhanced focus on optimizing our operations to world-class underground mines managed by superior skills and front-end technology.

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

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

OPERATIONS REVIEW

Consolidated Revenues

		YTD Q2'19	YTD Q2'18	YoY	Q2'19	Q1'19	Q2'18	Q2'19 vs Q1'19	Q2'19 vs Q2'18
Revenues									
Zinc revenue	$	262,983	295,585	–11%	108,233	154,749	162,355	–30%	–33%
Provisional pricing adjustments		(11,390)	(20,375)	–44%	(17,124)	5,733	(17,189)	–399%	0%
Lead and silver revenue		31,863	35,128	–9%	16,221	15,643	21,368	4%	–24%
Provisional pricing adjustments		(916)	(482)	90%	(752)	(164)	(490)	359%	53%
Smelting and refining costs		(87,337)	(61,224)	43%	(42,157)	(45,179)	(32,130)	–7%	31%
Net revenue	$	195,203	248,632	–21%	64,421	130,782	133,914	–51%	–52%
Average zinc LME price	$/lb	1.24	1.48	–16%	1.25	1.23	1.41	2%	–11%
Average lead LME price	$/lb	0.89	1.11	–20%	0.86	0.92	1.08	–7%	–20%
Average silver LBMA price	$/oz	15.23	16.65	–9%	14.89	15.57	16.53	–4%	–10%
Sales quantities									
Payable zinc	Mlbs	218.6	203.7	7%	93.2	125.4	114.2	–26%	–18%
Payable lead	Mlbs	22.1	21.1	5%	12.1	10.0	13.2	21%	–8%
Payable silver	Mozs	0.7	0.7	0%	0.4	0.4	0.4	0%	0%

All of Trevali's zinc and lead concentrate sales contracts provide final pricing in a future month (generally one to six months from the shipment date) based primarily on quoted London Metal Exchange ("LME") monthly average zinc and lead prices. Trevali 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. Treatment charges and freight, included within smelting and refining cost, are negotiated at market-related rates.

Zinc sales volumes decreased during the quarter, but high sales in Q1 2019 due to timing and the catch-up of 2018 inventory resulted in a strong but normalized YTD. The strong sales YTD has helped offset the lower zinc price and increased smelting and refining rates, with YTD revenues 21% lower compared to the prior year.

Provisional Pricing

		Zinc	Lead
Spot 3-month future price as at March 29, 2019	$/lb	1.32	0.92
Provisionally priced metal – March 31, 2019	Mlbs	175.3m	5.1m
Average spot price for March 2019	$/lb	1.29	0.93
Average 3-month future price for March 2019	$/lb	1.28	0.94
Average Q2 LME price	$/lb	1.25	0.86
Provisionally priced metal – June 30, 2019	Mlbs	150.8m	2.8m
Average spot price for June 2019	$/lb	1.18	0.86
Average 3-month future price for June 2019	$/lb	1.13	0.86
Spot 3-month future price as at June 30, 2019	$/lb	1.13	0.87

Trevali estimates that each $0.05 change in the zinc price per pound realized from the June 30, 2019 provisional price recorded of $1.13 per pound would have an average effect of approximately $7.0 million on 2019 revenues.

The negative $17.1 million provisional price adjustment for zinc ($14.0 million is price-related and $3.1 million is volume-related) in the second quarter of 2019 reflects the decrease in the estimated final pricing at June 30, 2019 compared to the average zinc price during the first and second quarters. A corresponding impact of the inventory sell down in the first quarter is a decrease in provisionally priced sales outstanding at quarter end to 150.8 million pounds.

[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 Q2'19	YTD Q2'18	YoY	**Q2'19**	Q1'19	Q2'18	Q2'19 vs Q1'19	Q2'19 vs Q2'18
Production									
Ore mined	t	375,457	374,709	0%	184,566	190,891	182,551	–3%	1%
Ore milled	t	360,664	355,967	1%	187,191	173,473	176,027	8%	6%
Zinc head grade		14.2%	14.8%	–4%	14.8%	13.5%	15.2%	10%	–3%
Zinc recovery		90.0%	93.7%	–4%	90.3%	89.7%	93.1%	1%	–3%
Zinc concentrate grade		49.6%	51.0%	–3%	49.3%	50.0%	50.1%	–1%	–2%
Zinc payable	Mlbs	85.2	92.0	–7%	46.3	39.0	46.1	19%	0%
Sales									
Zinc payable	Mlbs	95.5	91.4	4%	41.1	54.4	58.8	–24%	–30%
C1 Cash Cost[1]	$/lb	0.96	0.76	26%	0.89	1.04	0.74	–14%	20%
AISC[1]	$/lb	1.03	0.83	24%	0.96	1.11	0.83	–14%	16%
FINANCE									
Revenues, net	$	74,808	98,862	–24%	23,483	51,324	62,010	–54%	–62%
Mine operating expenses		59,288	50,055	18%	25,473	33,814	26,336	–25%	–3%
Adjusted EBITDA[1]		15,520	48,807	–68%	(1,990)	17,510	35,674	–111%	–106%
Other expense (income) and impairment		1,258	(25)	–5132%	(808)	2,066	8,282	–139%	–110%
EBITDA[1]		14,262	48,832	–71%	(1,182)	15,444	27,392	–108%	–104%
Depreciation, depletion & amortization		17,979	19,409	–7%	8,141	9,838	16,167	–17%	–50%
EBIT[1]	$	(3,717)	29,423	–113%	(9,323)	5,606	11,225	–266%	–183%

Payable zinc production for the second quarter was 46.3 million pounds, in-line with the corresponding quarter in 2018, with production gains from higher plant throughput mostly offset by lower grades and recoveries. As expected, grades in the second quarter improved, benefiting further from improved dilution control with payable zinc production for Q2 2019 increasing by 19% over the previous quarter with production benefiting from a sequential improvement in milled tonnage, grade and recovery. Higher iron grades from the hanging wall ore continue to be encountered and is expected to impact mill performance for at least the remainder of the year.

C1 Cash Cost[1] has increased by $0.15 per pound when compared to the corresponding quarter in 2018 reflecting the increase to industry benchmark zinc concentrate smelting and refining charges, higher volumes of concentrate trucking and higher production costs associated with increased mine production and mill throughput. The AISC[1] increase of $0.13 per pound reflects these increased costs, offset by a decrease of $0.7 million in sustaining capital expenditure and lease payments when compared to the same period a year ago. C1 Cash Cost[1] and AISC[1] improved quarter-over-quarter reflecting fewer costs associated with the incremental sales that were made in the first quarter and higher production volumes.

2019 production and cost guidance remain unchanged. The heavy fuel oil power conversion plant has now been completed, on budget. Cost savings from the more efficient supply of power are anticipated to be realized from the third quarter.

[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 Q2'19	YTD Q2'18	YoY	Q2'19	Q1'19	Q2'18	Q2'19 vs Q1'19	Q2'19 vs Q2'18
Production									
Ore mined	t	338,344	332,131	2%	168,661	169,683	159,797	–1%	6%
Ore milled	t	342,753	350,919	–2%	171,389	171,364	173,082	0%	–1%
Zinc head grade		9.2%	7.8%	18%	8.8%	9.6%	7.7%	–8%	14%
Lead head grade		1.0%	1.2%	–17%	1.1%	1.0%	1.1%	10%	0%
Silver head grade	(ozs/t)	0.4	0.4	0%	0.4	0.4	0.3	0%	33%
Zinc recovery		87.3%	87.1%	0%	86.1%	88.5%	86.3%	–3%	0%
Lead recovery		49.2%	67.3%	–27%	50.9%	47.4%	57.6%	7%	–12%
Silver recovery		34.8%	55.5%	–37%	33.1%	36.6%	60.4%	–10%	–45%
Zinc concentrate grade		49.3%	47.4%	4%	48.5%	50.1%	45.0%	–3%	8%
Lead concentrate grade		35.7%	40.8%	–12%	38.6%	32.9%	35.0%	17%	10%
Zinc payable	Mlbs	50.8	43.7	16%	24.0	26.8	20.8	–10%	15%
Lead payable	Mlbs	3.5	6.1	–43%	1.9	1.6	2.1	19%	–10%
Silver payable	Moz	–	0.1	–100%	–	–	–	0%	0%
Sales									
Zinc payable	Mlbs	54.7	45.6	20%	17.7	36.9	17.5	–52%	1%
Lead payable	Mlbs	3.2	4.4	–27%	3.2	–	4.4	100%	–27%
Silver payable	Moz	–	0.1	–100%	–	–	0.1	0%	–100%
C1 Cash Cost[1]	$/lb	0.78	0.70	11%	0.67	0.89	0.47	–25%	43%
AISC[1]	$/lb	0.96	0.88	9%	0.88	1.03	0.69	–15%	28%
FINANCE									
Revenues, net	$	47,532	54,758	–13%	11,798	35,734	21,566	–67%	–45%
Mine operating expenses		25,827	26,908	–4%	10,582	15,246	10,870	–31%	–3%
Adjusted EBITDA[1]		21,705	27,850	–22%	1,216	20,488	10,696	–94%	–89%
Other (income) expense and impairment		1,671	1,362	23%	1,204	466	1,397	158%	–14%
EBITDA[1]		20,034	26,488	–24%	12	20,022	9,299	–100%	–100%
Depreciation, depletion & amortization		11,899	7,340	62%	5,598	6,302	1,821	–11%	207%
EBIT[1]	$	8,135	19,148	–58%	(5,586)	13,720	7,478	–141%	–175%

Payable zinc production for the second quarter was 24.0 million pounds, 15% higher than during the corresponding quarter in 2018 as higher grades were milled. Payable zinc production for the second quarter represents a 10% reduction from the previous quarter as grades declined per the Company's expectations and prior guidance. Ore blending efforts to better manage grade and ore type continue to be successful, improving the process plant reliability. As per normal shipping schedules, lead concentrate was shipped in the second quarter.

C1 Cash Cost[1] and AISC[1] increased by $0.20 per pound and $0.19 per pound, respectively, when compared to the corresponding quarter in 2018 and reflects 62% lower by-product revenues due to a combination of price and volume decrease and the increase to industry benchmark zinc concentrate smelting and refining charges, offset by lower sustaining capital expenditures. C1 Cash Cost[1] and AISC[1] improved quarter-over-quarter, reflecting reduced offsite costs associated with the reduction in sales made during the second quarter, offset by higher sustaining capital expenditures.

2019 production and cost guidance remain unchanged. Zinc grades for the remainder of 2019 are expected to be approximately 8%, in-line with guidance disclosed at the start of the year. The new zinc concentrate filter press continues to be on track for installation by the end of the year and is expected to not only reduce concentrate moisture content, but also reduce concentrate re-handling costs and variability. The Rosh Pinah 2.0 ("RP2.0") optimization feasibility study completion is targeted for Q2 2020. Opportunities for Trevali's longest life mine to increase production, reduce unit costs, improve recoveries and concentrate grades continue to be evaluated as part of the RP2.0 study for up to a 50% increase in output.

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

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

CARIBOU MINE, CANADA

		YTD Q2'19	YTD Q2'18	YoY	Q2'19	Q1'19	Q2'18	Q2'19 vs Q1'19	Q2'19 vs Q2'18
Production									
Ore mined	t	425,478	505,150	–16%	211,389	214,089	266,500	–1%	–21%
Ore milled	t	432,413	482,753	–10%	221,628	210,785	247,222	5%	–10%
Zinc head grade		5.8%	5.9%	–2%	5.6%	5.9%	5.9%	–5%	–5%
Lead head grade		2.4%	2.3%	4%	2.3%	2.4%	2.2%	–4%	5%
Silver head grade	(ozs/t)	2.3	2.0	15%	2.2	2.5	2.0	–12%	10%
Zinc recovery		78.3%	75.6%	4%	78.6%	78.0%	76.4%	1%	3%
Lead recovery		63.7%	61.0%	4%	63.0%	64.4%	59.8%	–2%	5%
Silver recovery		38.5%	38.3%	1%	38.0%	38.9%	35.2%	–2%	8%
Zinc concentrate grade		46.7%	46.9%	0%	47.1%	46.3%	47.8%	2%	–1%
Lead concentrate grade		39.0%	37.5%	4%	39.0%	38.9%	38.0%	0%	3%
Zinc payable	Mlbs	35.8	39.6	–10%	18.0	17.8	20.5	1%	–12%
Lead payable	Mlbs	13.3	13.7	–3%	6.6	6.7	6.5	–1%	2%
Silver payable	Moz	0.4	0.4	0%	0.2	0.2	0.2	0%	0%
Sales									
Zinc payable	Mlbs	35.3	39.5	–11%	18.0	17.3	21.7	4%	–17%
Lead payable	Mlbs	12.9	13.7	–6%	6.1	6.8	6.9	–10%	–12%
Silver payable	Moz	0.4	0.4	0%	0.2	0.2	0.2	0%	0%
C1 Cash Cost[1]	$/lb	1.07	0.68	57%	1.09	1.06	0.64	3%	70%
AISC[1]	$/lb	1.21	0.85	42%	1.23	1.19	0.81	3%	52%
FINANCE									
Revenues, net	$	37,759	57,778	–35%	15,304	22,455	29,706	–32%	–48%
Mine operating expenses		34,062	30,285	12%	16,553	17,509	15,723	–5%	5%
Adjusted EBITDA[1]		3,697	27,493	–87%	(1,249)	4,946	13,983	–125%	–109%
Other (income) expense and impairment		764	(2,022)	–138%	262	502	(906)	–48%	–129%
EBITDA[1]		2,933	29,515	–90%	(1,511)	4,444	14,889	–134%	–110%
Depreciation, depletion & amortization		7,779	6,399	22%	4,010	3,770	2,940	6%	36%
EBIT[1]	$	(4,846)	23,116	–121%	(5,521)	674	11,949	–919%	–146%

Payable zinc production for the second quarter was 18.0 million pounds, 12% lower than the corresponding quarter in 2018 because of lower mill throughput and grades, but in-line with the prior quarter as higher mill throughput and recoveries offset a slight reduction in grade. While milled tonnage improved quarter-over-quarter, the strike at the Belledune lead smelter temporarily impacted concentrate trucking capacity during the month of May, removing on-site storage capacity and necessitating a reduction in concentrate production. Mining activities in the quarter focused on completing rehabilitation, ensuring all active ore drives are safe and supported for the long term. The planned preventative maintenance strategy in the mill is proving to be successful, with every month in 2019 except for June a record month for zinc recovery when compared to previous years.

C1 Cash Cost[1] and AISC[1] increased when compared to the corresponding quarter in 2018, reflecting increased underground development and contractor costs, lower by-product revenues as a result of lower lead and silver prices and the increase to industry benchmark zinc concentrate smelting and refining charges. C1 Cash Cost[1] and AISC[1] were higher quarter-over-quarter due to extension of mining contractor services as well as the impact to production of the Belledune strike.

2019 production and cost guidance remain unchanged. Mill throughput is expected to improve in the third quarter, benefiting production and unit costs. A sound understanding of the geotechnical challenges has been established. The ground control failure modes have been quantified and actions plans are in place to mitigate these together with a focus on advancing development which was achieved during the quarter. Plans are now underway to commence trial mining of an alternative sublevel caving mining method. The trials will be conducted in areas currently not in the mine plan to ensure sufficient feed to keep the mill at full capacity. In addition to the trials, the extraction of sill pillars currently excluded from the reserves will be tested. As current mining rates are generating excess mill capacity of approximately 300 tonnes per day, alternative ore sources to utilize the spare capacity are being evaluated.

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

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

SANTANDER MINE, PERU

		YTD Q2'19	YTD Q2'18	YoY	**Q2'19**	Q1'19	Q2'18	Q2'19 vs Q1'19	Q2'19 vs Q2'18
Production									
Ore mined	t	395,281	385,391	3%	197,573	197,708	198,318	0%	0%
Ore milled	t	437,707	374,511	17%	223,761	213,946	223,884	5%	0%
Zinc head grade		4.8%	4.5%	7%	4.8%	4.9%	4.5%	–2%	7%
Lead head grade		0.8%	0.5%	60%	0.7%	0.9%	0.5%	–22%	40%
Silver head grade	oz/t	1.2	0.9	33%	1.1	1.3	0.9	–15%	22%
Zinc recovery		87.6%	89.2%	–2%	86.5%	88.7%	89.3%	–2%	–3%
Lead recovery		82.4%	79.0%	4%	82.8%	82.1%	78.5%	1%	5%
Silver recovery		62.7%	59.6%	5%	62.5%	62.9%	60.8%	–1%	3%
Zinc concentrate grade		47.4%	47.5%	0%	47.0%	47.8%	47.5%	–2%	–1%
Lead concentrate grade		50.7%	49.6%	2%	48.1%	53.1%	49.6%	–9%	–3%
Zinc payable	Mlbs	33.9	27.3	24%	16.9	17.0	16.4	–1%	3%
Lead payable	Mlbs	6.1	3.1	97%	2.8	3.3	1.9	–15%	47%
Silver payable	Moz	0.3	0.2	50%	0.1	0.2	0.1	–50%	0%
Sales									
Zinc payable	Mlbs	33.0	27.2	21%	16.3	16.7	16.2	–2%	1%
Lead payable	Mlbs	6.0	3.0	100%	2.7	3.2	1.9	–16%	42%
Silver payable	Moz	0.3	0.2	50%	0.1	0.2	0.1	–50%	0%
C1 Cash Cost[1]	$/lb	0.77	0.81	–5%	0.81	0.73	0.64	11%	27%
AISC[1]	$/lb	0.97	1.11	–13%	1.05	0.89	0.90	18%	17%
FINANCE									
Revenues, net	$	35,104	37,234	–6%	13,836	21,269	20,632	–35%	–33%
Mine operating expenses		19,920	20,028	–1%	10,368	9,552	10,618	9%	–2%
Adjusted EBITDA[1]		15,184	17,206	–12%	3,468	11,717	10,014	–70%	–65%
Other (income) expense and impairment		(727)	137	–631%	(157)	(570)	359	–72%	–144%
EBITDA[1]		15,911	17,069	–7%	3,625	12,287	9,655	–70%	–62%
Depreciation, depletion & amortization		6,221	5,474	14%	2,299	3,922	3,315	–41%	–31%
EBIT[1]	$	9,690	11,595	–16%	1,326	8,365	6,340	–84%	–79%

Payable zinc production for the second quarter was 16.9 million pounds, a 3% improvement over the corresponding quarter in 2018 as higher grades were processed and in-line with the previous quarter. Higher iron content and harder ore from the Magistral Central zone impacted recoveries in the quarter and are expected to persist for the remainder of 2019.

C1 Cash Cost[1] and AISC[1] increased compared to the corresponding quarter in 2018 mainly due to the higher benchmark zinc concentrate smelting and refining charges and lower by-product revenues because of lower lead and silver prices. The quarter-over-quarter increase in C1 Cash Cost[1] reflects lower by-product revenue due to lower lead and silver grades and prices while the incremental increase in AISC[1] over the same period is attributed to higher sustaining capital expenditures.

2019 production and cost guidance remain unchanged. Slightly higher-than-expected zinc grades are anticipated to offset the impact of elevated iron levels and ore hardness. With the dry season now underway, underground water pumping requirements are forecast to remain below budgeted levels.

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

EXPLORATION AND DEVELOPMENT

The primary goal of Trevali's 2019 exploration program is to focus on near-mine exploration targets with the objective to discover new resources in proximity to existing mine infrastructure. The Company has committed to invest a minimum of $8.4 million which includes ground geophysical surveys, geochemical surveys, first pass air-core drilling and approximately 36,000 metres of diamond drilling from surface and underground primarily focused on the Perkoa and Santander mineral systems.

Exploration expenditures to the end of Q2 amounted to $5.0 million. The remaining budgeted $3.4 million will be spent in the second half of the year. A total of approximately 17,000 meters of exploration drilling has been completed year to date. Trevali expects to drill the full budgeted amount of 36,000 metres with additional drilling programs planned to start in the third quarter at Santander where drilling permits have now been received and at Rosh Pinah.

Perkoa Exploration, Burkina Faso

A new volcanogenic massive sulfide ("VMS") horizon was discovered at Perkoa during Q2. Two underground holes intersected a VMS horizon referred to as T3, which is located approximately 200 metres in the hanging wall of the main Footwall lens as illustrated in the figure on the following page. The T3 horizon represents the third VMS horizon discovered at the Perkoa Mine. The discovery was made using a combination of geochemical and alteration vectoring and downhole electromagnetic ("EM") survey. Drill hole PUX013 intersected the T3 VMS horizon, which consists of banded disseminated sphalerite, from a drill depth of 547m to 593m (46 metres intercept, 32 metres true width) while drill hole PUX020 intersected the T3 horizon from a drill depth of 551m to 573m (22 metres intercept, 16 metres true width). Assay results are pending. Both holes were collared from the deepest level of the mine which is currently located at 520m below surface and intersected the T3 horizon at a depth of approximately 900m below surface.

An additional 2,300 metres underground drilling program is currently underway to test the up-plunge extension of the T3 horizon and infill drill the hanging wall zone down to a depth of approximately 820 metres below the surface. A second underground drill rig is currently being sourced to drill test the down plunge extension of the T3 horizon. This additional drilling is expected to begin during the third quarter.

Regionally, exploration in the second quarter focused on targets located along the approximately 25-kilometre strike Perkoa Mine Horizon using a combination of geophysics (surface and downhole), geochemistry (air-core drilling) and diamond drilling. Several anomalies were targeted during the quarter. To the North-East of the Perkoa Mine, a series of geophysical anomalies referred to as L2T were drill tested with air-core and diamond drilling. To the South-West of the Perkoa Mine, the AF1, AF1 South and South-West anomalies were also drill tested with air-core and diamond drilling. The air-core programs and surface Fluxgate EM surveys were still on-going at the end of the quarter and are expected to provide more regional targets to be tested once the rainy season subsides in Q4.

Several zones of alteration hosted in volcaniclastic sequences interpreted to be the same horizon as the Perkoa Mine were intersected at multiple anomalies so far during the 2019 exploration program, including narrow VMS horizons at L2T1 and AF1. Along with the T3 discovery, these two regional discoveries bring the total known VMS systems at Perkoa to five, showing the potential of the region and Boromo belt to develop into a major VMS district.

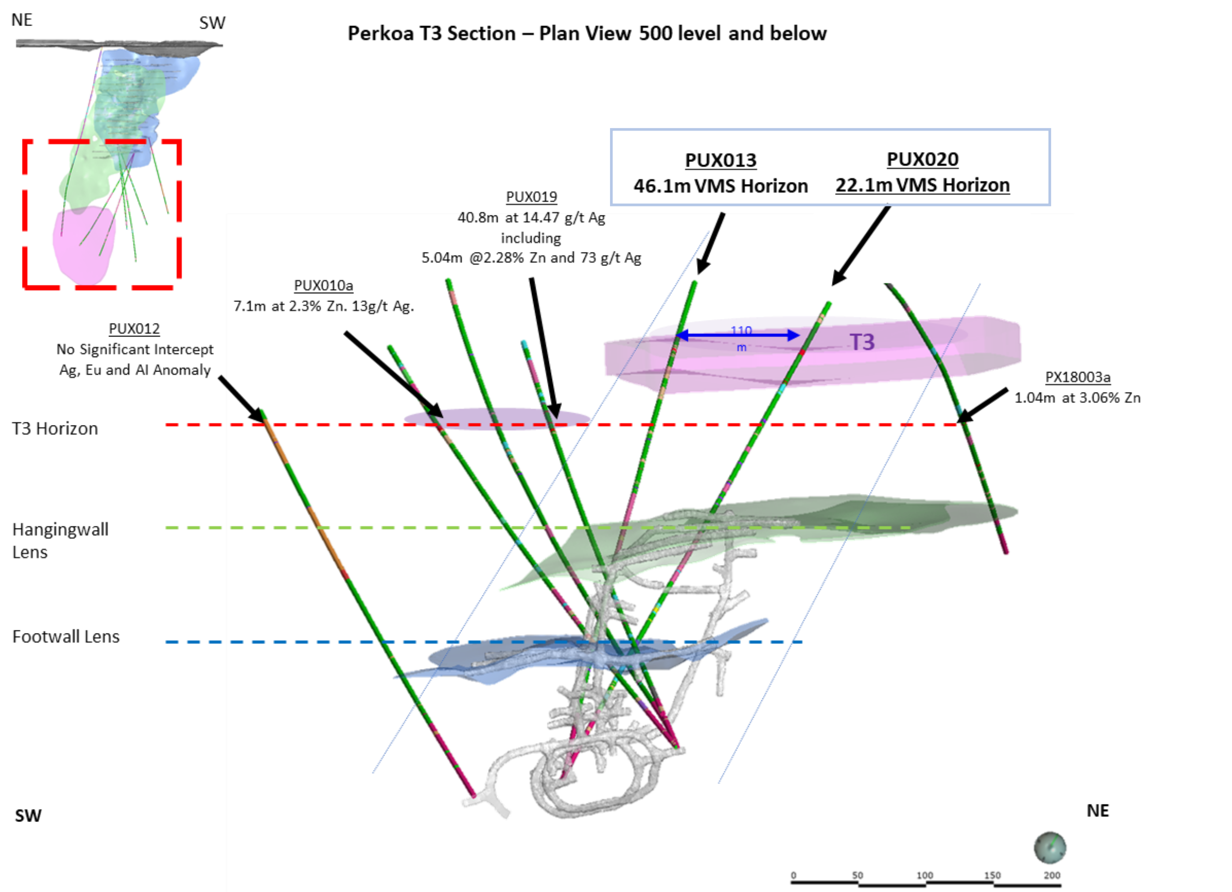

Figure B: **Perkoa Mineralised lenses at the 500RL level showing FT lens (blue) HW (green) and new T3 horizon (purple) based on drill holes and geochemistry**

Rosh Pinah Exploration, Namibia

Drilling from underground continued during the second quarter at the Western Orefield and the AAB orebody targeting areas at depth for Resource conversion. This Resource conversion program will continue during the third quarter.

Surface Fluxgate EM surveys were conducted during the second quarter along the Northern Extension of the Western Orefield and along the Eastern Limb of the Rosh Pinah deposit. Both surveys have identified conductive plates which warrant more investigation. More EM surveys are planned for the third quarter on the Eastern portion of the Rosh Pinah deposit and surface drilling is scheduled to begin drill testing the Northern Extension of the Western Orefield.

Santander Exploration, Peru

During the second quarter, surface Fluxgate EM surveys were conducted over previously identified anomalies located along strike of the Magistral deposit, with data compilation ongoing and new targets being generated ahead of the Q3 drilling programs. At the Santander Pipe, where a 2.8 million tonne, 6.8% zinc Indicated Mineral Resource is defined, drilling will resume in the third quarter to drill test the down-plunge and lateral extents of both flanks of the deposit. Exploration at the Santander Pipe is targeting an increase in Mineral Inferred Resources and converting additional Mineral Resources to an Indicated level in support of the ongoing evaluation of the deposit's potential to contribute to production in future years.

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

Additional geophysical surveys are planned to be undertaken during Q3 at Santander to start probing the deeper potential of the property for potential porphyry and skarn type mineralization, including an air drone magnetic survey and a magneto-telluric survey.

Additionally, several high-priority drill-ready exploration targets (Puajanca, Blato and Blanquita) will also be tested during H2 2019.

Caribou Mine Exploration, Canada

A surface Resource conversion drilling program is scheduled to begin in Q3 to drill test the Northern Extension of the Caribou North Limb below the current development. The Northern Extension is currently estimated to contain grades higher than the Mineral Reserves cut-off grade. The Resource conversion drilling program combined with on-going cost reduction efforts could extend the mine life of the Caribou Mine.

FINANCIAL REVIEW

Financial Results

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

		YTD Q2'18 vs YTD Q2'19	Q2'18 vs Q2'19
Net income for the 2018 period	$	52,030	23,454
Decrease in revenues		(53,429)	(69,493)
Decrease (increase) in components of expenses:			
Mine operating expenses		(17,540)	4,327
General and administrative		(318)	406
Other items		(10,397)	3,216
Income tax expense		14,207	6,527
Net decrease	$	(67,477)	(55,012)
Net loss for the 2019 period	$	(15,447)	(31,563)

The decrease of net income for the second quarter of 2019 compared to the corresponding quarter of 2018 is primarily due to decreasing commodity prices, higher smelting and refining charges and 18% lower zinc payable sales volumes, offset by a decrease in depreciation of $3.8 million as a result of inventory fluctuations included in mine operating expenses. The decreased revenue also reduced taxable income and consequently the current income tax expense.

On a YTD basis the decrease in net income is attributed primarily to lower commodity prices and higher smelting and refining charges despite increased payable sales volumes of all commodities. Further contributing to the decrease compared to the same period of 2018 is higher operating expenses, which includes higher depreciation caused by reducing zinc concentrate inventory, higher other items as described below, and lower income taxes.

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

Other Items

		YTD Q2'19	YTD Q2'18	YoY	Q2'19	Q1'19	Q2'18	Q2'19 vs Q1'19	Q2'19 vs Q2'18
(Gain) loss on foreign exchange	$	2,417	1,138	112%	698	1,719	4,481	–59%	–84%
Interest expense		4,310	6,446	–33%	2,103	2,207	3,032	–5%	–31%
Restructuring expenses		6,832	–	100%	6,832	–	–	100%	100%
Impairment		3,662	–	100%	–	3,662	–	–100%	100%
Other (income) loss		(435)	(1,195)	–64%	(405)	(30)	4,931	1,250%	–108%
	$	16,786	6,389	163%	9,228	7,558	12,444	22%	–26%

The increase of other items during Q2 2019, compared to the comparative quarters is restructuring expenses of $6.8 million relating to corporate restructuring and the YTD increase due to the $3.7 million Murray Brook impairment recorded during Q1 2019. Interest expense continues to decrease steadily with the decrease in outstanding debt due to principal repayments and the refinanced revolving credit facility (the "Facility") in September 2018 that bears interest at a lower rate.

Tax Expense

		YTD Q2'19	YTD Q2'18	YoY	Q2'19	Q1'19	Q2'18	Q2'19 vs Q1'19	Q2'19 vs Q2'18
Current income tax	$	9,306	9,857	–6%	1,845	7,461	4,909	–75%	–62%
Deferred income tax (recovery) expense		(3,279)	10,377	–132%	(313)	(2,966)	3,150	–89%	–110%
	$	6,027	20,234	–70%	1,532	4,495	8,059	–66%	–81%

The current tax expense in Q2 2019 is lower than the corresponding quarter of 2018 and Q1 2019 primarily due to lower income attributed to decreasing commodity prices and lower zinc payable sales volumes. Higher smelting and refining charges applicable to 2019 further reduced income compared to 2018.

On a YTD basis current tax expense is comparable to the same period of 2018 and reflects the net impact of lower current taxes as a result of lower income, offset by higher withholding taxes in 2019.

The deferred tax recovery during Q2 2019 and YTD relates primarily to timing differences between accounting and tax deductions in Namibia. A deferred tax expense was recognized during the corresponding periods in 2018 and reflected a build up of deferred tax liabilities in Canada, Peru and Burkina Faso related to the use of tax losses and other tax attributes, offset by a deferred tax recovery in Namibia as a result of timing differences.

LIQUIDITY AND CAPITAL RESOURCES

Financial Condition

		June 30, 2019	December 31, 2018	Change
Total debt	$	87,641	132,424	–34%
Cash and cash equivalents		52,823	65,462	–19%
Net debt		34,818	66,962	–48%
Working capital		91,651	16,851	444%
Adjusted working capital[1]	$	91,651	148,855	–38%

[1] *Working capital at December 31, 2018 has been adjusted for the temporary reclassification of the carrying value of the Facility from non-current to current liabilities.*

From a liquidity perspective, the cash and cash equivalents as at June 30, 2019 combined with the liquidity provided by the available credit under the $275.0 million revolving term facility and ongoing operating cash flows positions the Company well to fund all outstanding commitments and known contingencies as well as providing flexibility to acquire additional accretive mineral stream interests.

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

As at June 30, 2019, the Company is in full compliance with its debt covenants. The increase in working capital position to $91.7 million as of June 30, 2019 compared to $16.9 million at December 31, 2018 is due to the reclassification of $92.3 million in Q1 2019 related to the Facility from current back to non-current liabilities and a reduction of concentrate inventory year-to-date.

In September 2018, Trevali entered into an amended and restated credit agreement with a syndicate of lenders for the $275.0 million Facility, which replaced the $160.0 million term facility and $30.0 million revolving facility originally entered into in August 2017.

As at June 30, 2019, the Company has $83.5 million drawn on the Facility ($136.5 million as at December 31, 2018). Trevali also has letters of credit, issued under the Facility, totaling $9.9 million to support $6.1 million in various reclamation bonding requirements with its Caribou Mine and $3.8 million to secure funding receipts related to a long-term receivable.

The Company has continued to purchase and cancel its common shares under its normal course issuer bid with 4,389,000 common shares purchased for $1.2 million during the current quarter (YTD 5,289,000 common shares for $1.5 million) for a cumulative total of 17,989,000 common shares at a cost of $5.0 million since inception.

The Company's financial position and liquidity remains strong inclusive of $52.8 million in cash and cash equivalents, with available liquidity totalling $234.4 million inclusive of $181.6 million available under the Facility.

Cash Flows

		YTD Q2'19	YTD Q2'18	YoY	**Q2'19**	Q1'19	Q2'18	Q2'19 vs Q1'19	Q2'19 vs Q2'18
Operating cash flows before changes in working capital	$	35,075	105,038	–67%	(7,486)	42,561	52,078	–118%	–114%
Changes in working capital		47,792	(17,244)	–377%	61,586	(13,794)	(12,506)	–546%	–592%
Net cash provided by operating activities		82,867	87,794	–6%	54,100	28,767	39,572	88%	37%
Net cash used in investing activities		(36,811)	(57,764)	–36%	(25,951)	(10,860)	(47,632)	139%	–46%
Net cash used in financing activities		(59,545)	(21,744)	174%	(16,287)	(43,258)	(9,990)	–62%	63%

The increase in cash provided by operating activities Q2 2019 compared to the first quarter of 2019, was mainly due to a decrease in working capital, which is primarily attributable to the increase of cash from settlement receivables due to timing and the decrease in zinc price and related provisional pricing adjustments which also had a negative impact on revenue for Q2 2019 and explains the decrease in operating cashflow.

Cash was invested in the first and second quarter of 2019 primarily in property, plant and equipment and exploration and evaluation assets, similar to the same periods in the previous year with the exception of the Rosh Pinah share buy-back for $23.1 million in May 2018 which increased Trevali's shareholding from 80.1% to 90.0%.

Cash used in financing activities for Q2 2019 is comprised primarily of the repayment of $13.0 million of debt (YTD $53.0 million) but also included $1.2 million for the purchase and cancellation of the Company's own shares under the NCIB (YTD $1.5 million) $1.3 million in lease payments (YTD $2.6 million). The cash flows used in financing activities in the second quarter of 2018 were also primarily for the repayment and servicing of debt.

NCIB and Capital Management Plan

The two primary factors that drive the amount and timing of share repurchases are the price of zinc, and Trevali's share price. As Trevali's sales are based on monthly average prices, we will consider the 30-day moving average zinc price as a guide to buy-back limits. At zinc prices below Trevali's internal budget of $1.13 per pound, shares will not be repurchased. Below this level, Trevali's free cash flow may be negative and regularly repurchasing shares may not be a prudent use of cash, especially considering cash may be directed towards organic growth projects such as RP2.0 as well as paying down debt.

During Q2, zinc prices moved down to a forward curve price of $1.13 per pound. In addition, due to a continuously suppressed share price over the last 3 months, notwithstanding good production and cost performance by the group, share repurchases have been halted, with a focus on paying down debt, which, in the absence of near term M&A, provided a fixed return of approx. 4.4%% in interest savings. YTD we have paid down $53.0 million in debt and we will continue to optimize our working capital position and apply this towards debt reduction. The current strategy of surplus cash to repay revolving credit facility provides a 4.43% interest expense savings, which will assist us in fiscally responsible debt management to position Trevali for favourable credit renewal negotiations. Trevali will however continue to monitor the market and the best timing for use of our NCIB program.

CAPITAL MANAGEMENT

Framework

Management have identified an opportunity to develop a capital management framework to ensure capital expenditure is optimised for business value through the appropriate allocation and management of our capital portfolio aimed at fit-for-purpose processes, aligning our vision to enhance capital project portfolio's focussing with improved real time planning principles, embarking on a digitalization pathway, with clear responsibilities, accountabilities and governance mechanisms. We will spend capital only on a prioritized risk management basis, with real time adjusted equipment replacement plans and on prioritized projects which proves the best returns for the application of our available capital resources, moving away from the legacy static capital budgeting to real time integrated application of available funds across the group to optimize our return on capital investment.

Based on Trevali's existing cash balance, our expectations for positive operating cash flow from the Santander, Caribou, Rosh Pinah and Perkoa mines and the refinancing completed in 2018, we expect to have sufficient resources to meet our committed expenditures for the next twelve months, as well as our planned exploration and development activities for the foreseeable future. However, this is highly dependent on metal prices and the ability of the Company to maintain cost and grade controls at its operations and is subject to changes in the Company's growth plans and strategy. The Company continues to evaluate accretive investment opportunities, which may require additional capital.

The Company's operating cash flows are very sensitive to the price of zinc and lead, foreign exchange rate fluctuations and ore grade fluctuations, 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 in 2019 and, conversely, weaker average zinc and lead prices could result in a reduction of planned expenditures. For information on our sensitivity to zinc prices, refer to the "Commodity Markets" and "Sensitivity Analysis" sections above.

The Company has not entered into any long-term hedging arrangement in respect of its metal sales.

The Company maintains minimal cash reserves in Burkina Faso, Namibia and Peru. The Company's cash reserves are on demand deposits with well-established in-country banks.

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 monitors its capital structure and, based on changes in operations and economic conditions, may adjust the structure by issuing new shares, issuing new debt or retiring existing debt. The Company prepares quarterly forecasts and annual budgets, which are approved by the Company's Board of Directors, to facilitate the management of its capital requirements.

For 2019, the Company intends to allocate its capital resources to the ongoing development of its current mining operations and exploration programs as noted above.

Trevali operates in various jurisdictions and makes references to Canadian dollars as "CAD", Peruvian soles as "PEN", Namibian dollars as "NAD" and West African Franc as "XOF".

OUTSTANDING SHARE DATA

Trevali's authorized capital consists of an unlimited number of common shares without par value, of which 813,207,085 are issued and outstanding as of the date of this MD&A.

RELATED PARTY TRANSACTIONS

As of June 30, 2019, Glencore owns 210,835,925 Trevali common shares representing approximately 25.9% of the total issued and outstanding common shares.

Glencore purchases Trevali'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. Trevali entered into the following transactions with Glencore:

		YTD Q2'19	YTD Q2'18	YoY	**Q2'19**	Q1'19	Q2'18	Q2'19 vs Q1'19	Q2'19 vs Q2'18
Net revenue on concentrate sales	$	195,203	248,632	–21%	64,421	130,782	133,914	–51%	–52%
Production costs		–	11,153	–100%	–	–	11,153	–100%	–100%
Mine development[1]		–	6,349	–100%	–	–	5,683	–100%	–100%
Interest expense on concentrate sales advances	$	–	389	–100%	–	–	27	–100%	–100%

		June 30, 2019	December 31, 2018
Settlement receivables	$	21,006	56,091
Payable	$	53	1,539

[1] *Capitalized to property, plant and equipment.*

USE OF ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in accordance with IFRS applicable to interim financial reporting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments. 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.

Significant assumptions and judgments about the future and other sources of estimation uncertainty that management has made at the end of the reporting period 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, relate to the following areas:

- Business combinations and goodwill;
- Review of asset carrying values and impairment assessment;
- Deferred income taxes;
- Provision for environmental rehabilitation;
- Useful lives of mineral properties, plant and equipment;
- Estimated Mineral Reserves and Resources; and
- Revenue recognition.

See note 2 of our annual audited financial statements for the years ended December 31, 2018 and 2017 for a detailed discussion of these accounting estimates and judgments.

ACCOUNTING CHANGES

Application of new and revised accounting standards

Effective January 1, 2019, the Company has adopted IFRS 16: Leases. Refer to note 3 of our condensed interim consolidated financial statements for the three and six months ended June 30, 2019 for additional information.

New standards and interpretations not yet adopted

For information on new standards and interpretations not yet adopted, refer to note 3 of our condensed interim consolidated financial statements for the three and six months ended June 30, 2019.

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).

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 June 30, 2019.

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, Zinc Spot Price 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. We use these measures internally to evaluate the underlying operating performance of the Company for the reporting periods presented. The use of these measures enables us to assess performance trends and to evaluate the results of the underlying business of the Company. We understand that certain investors, and others who follow the Company's performance, also assess performance in this way.

We believe 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 our overall business performance (a combination of cost management and growth) and is the corresponding flow drivers towards the objective of achieving industry-leading returns. This measure assists readers in understanding the ongoing cash generating potential of the business including liquidity to fund working capital, servicing debt, and funding 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, Zinc Spot Price Adjusted EBITDA 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. These expenses and recoveries are removed from the calculation of EBITDA as the Company does not believe they are reflective of the Company's ability to generate liquidity and its core operating results.

Due to incongruence of the 3-month forward zinc price in relation to the spot LME zinc price, particularly in situations where backwardation and contango exist, the below Zinc Spot Price Adjusted EBITDA provides a better reflection of the valuation of the provisionally priced metal. It is calculated as Adjusted EBITDA plus/ minus the impact on revenue using the monthly average zinc spot price to mark the provisionally priced zinc metal rather than the monthly average 3-month forward zinc price.

(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, gain (loss) on foreign exchange and other income or expenses.

		YTD Q2'19	Q2'19
Net income	$	(15,447)	(31,563)
Current income tax		9,306	1,845
Deferred income tax recovery		(3,279)	(313)
Interest expense		4,310	2,103
EBIT		(5,110)	(27,928)
Depreciation, depletion and amortization		44,341	20,485
EBITDA		39,231	(7,443)
Other income		(435)	(405)
Restructuring expenses		6,832	6,832
Impairment		3,662	–
Loss on foreign exchange		2,417	698
Adjusted EBITDA	$	51,707	(318)
Increase to revenue		7,263	7,263
Zinc Spot Price Adjusted EBITDA		58,970	6,945
Net loss	$	(15,447)	(31,563)
Loss on foreign exchange		2,417	698
Restructuring expenses		6,832	6,832
Impairment		3,662	–
Other income		(435)	(405)
Adjusted net loss	$	(2,971)	(24,438)
Adjusted Earnings per Share	$	(0.00)	(0.03)
Weighted average number of shares outstanding – basic ('000)		816,872	815,470

Net debt

Net debt demonstrates how our 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, 2019	December 31, 2018
Current portion of lease liabilities	$	4,554	163
Current portion of debt		–	132,004
Non-current portion of lease liabilities		3,498	257
Non-current portion of debt		79,589	–
Total debt		87,641	132,424
Less: cash and cash equivalents		52,823	65,462
Net debt	$	34,818	66,962

C1 Cash Cost

This measures the cash costs 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.

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

AISC

This measures the cash costs to produce a pound of payable zinc plus the 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.

		Q2 2019				
		Perkoa	Rosh Pinah	Caribou	Santander	Total
Mining	$	8,286	4,015	8,104	4,874	25,279
Processing		5,794	2,205	5,580	2,447	16,026
Maintenance		1,385	1,665	1,096	1,914	6,060
General and administrative		3,909	1,376	1,273	492	7,050
Smelting and refining		15,616	7,134	8,857	6,649	38,256
Distribution		4,946	1,011	603	274	6,834
Royalties		1,323	668	–	611	2,602
Less: By-product revenues		–	(2,125)	(5,914)	(3,529)	(11,568)
C1 total costs		41,259	15,949	19,599	13,732	90,539
Sustaining CAPEX		2,048	5,240	2,478	4,030	13,796
Lease payments		1,278	–	41	–	1,319
AISC total costs	$	44,585	21,189	22,118	17,762	105,654
Pounds of zinc payable produced	lbs	46,274	23,983	18,007	16,926	105,190
C1 Cash Cost	$/lbs	0.89	0.67	1.09	0.81	0.86
AISC	$/lbs	0.96	0.88	1.23	1.05	1.00

		YTD Q2 2019				
		Perkoa	**Rosh Pinah**	**Caribou**	**Santander**	**Total**
Mining	$	16,583	7,722	17,147	9,654	51,106
Processing		10,932	4,408	11,537	4,645	31,522
Maintenance		2,492	3,379	2,238	3,330	11,439
General and administrative		7,830	2,612	2,369	1,366	14,177
Smelting and refining		30,819	18,427	17,829	13,311	80,386
Distribution		10,391	2,489	905	1,448	15,233
Royalties		2,680	2,730	–	824	6,234
Less: By-product revenues		–	(1,946)	(13,586)	(8,464)	(23,996)
C1 total costs		81,727	39,821	38,439	26,114	186,101
Sustaining CAPEX		3,505	9,020	4,878	6,875	24,278
Lease payments		2,557	–	75	–	2,632
AISC total costs	$	87,789	48,841	43,391	32,989	213,010
Pounds of zinc payable produced	lbs	85,228	50,823	35,790	33,924	205,765
C1 Cash Cost	$/lbs	0.96	0.78	1.07	0.77	0.90
AISC	$/lbs	1.03	0.96	1.21	0.97	1.04

NOTES TO READER

Cautionary Note Regarding Forward-Looking Information and Statements

This MD&A contains certain "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 relate to future events or future performance and reflect management's expectations or beliefs regarding future events including, but not limited to, statements with respect to the Company's growth strategies, expected annual savings from capital projects, demand for commodities, reduced interest payments, anticipated effects of commodity prices on 2019 revenues, expectations of positive operating cash flow and sufficient resources, estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, 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 anticipated exploration programs, life of mine expectancies and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "outlook", "guidance", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", 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. In this MD&A, certain forward-looking statements are identified by words including "guidance", "may", "future", "expected", "intends" and "estimates".

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; accidents; assumptions related to geotechnical conditions of underground and open pit mining and tailings facilities; 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 associated with sales of our metals; 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 Perkoa, Rosh Pinah, Caribou and Santander mining operations; corruption and bribery; limitations inherent in our insurance coverage; compliance with debt covenants; 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 Company's annual information form, interim and annual audited consolidated financial statements and management's discussion and analysis of those statements, all of which are filed and available for review under the Company's profile on SEDAR at www.sedar.com.

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. Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from operations. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management as of the date the statements are published, and the Company's assumes no obligation to update any forward-looking statements in the future, except as required by law. 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 us on SEDAR at www.sedar.com.