MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE AND SIX MONTHS ENDED JUNE 30, 2021

This Management's Discussion & Analysis ("MD&A") is dated as of August 4, 2021 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, 2021 and the audited consolidated financial statements and notes thereto for the year ended December 31, 2020. 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 Information Circular, 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 2021

- **Total Recordable Injury Frequency ("TRIF") in Q2 2021 saw a significant decrease to 5.2 from 13.3 in Q1 2021 TRIF.** Improved site engagement drove the quarterly incidents down.
- **Zinc payable production for Q2 2021 of 87.3 million pounds increased 17% from the prior quarter.** Strong performances at Rosh Pinah and Perkoa and benefited from the first full quarter of production from Caribou since restarting despite a slower than planned ramp up.
- **C1 Cash Cost[1] and AISC[1] of $0.84 and $0.97 per pound, respectively,** 6% and 2% decreases from the prior quarter, supported by by-product credits which more than offset operational cost inflation and weakening of the US dollar.
- **Revised 2021 production and cost guidance issued.** Zinc production is being revised to between 330 – 355 million pounds of zinc and AISC[1] of $0.94 – $0.98 per pound.
- **Q2 2021 revenues increased 41% over the prior quarter to $101.1 million,** due to the supplementary contribution from Caribou and an increase in the average quarterly LME zinc price to $1.32 per pound.
- **Adjusted EBITDA[1] for Q2 of $32.0 million was impacted** by strong commodity prices which was partially offset by the timing of sales related to Caribou.
- **Operating cash flows before working capital of $33.5 million with net settlement receivables increasing by $37.2 million relative to Q1 2021** due to the timing of three Perkoa shipments and the collection for a late June sale at Rosh Pinah in July.
- **Net Debt[1] for Q2 increased from $92.6 million at March 31, 2021 to $109.0 million** due to the increase in receivables with $50.7 million collected during July. The Net Debt[1] position as of July 31, 2021 has reduced $16.6 million to $92.4 million.
- **RP2.0 Expansion Project Feasibility Study is nearing completion,** results to be released in Q3 2021, project financing discussions are ongoing.
- **Issued 3rd Annual Sustainability Report in June** covering new performance targets and disclosures.

		YTD Q2'21	YTD Q2'20	YoY	**Q2'21**	Q1'21	Q2'20	Q2'21 vs Q1'21	Q2'21 vs Q2'20
Zinc payable production	Mlbs	162.2	164.7	–2%	87.3	74.8	65.8	17%	33%
Lead payable production	Mlbs	15.6	15.4	1%	9.7	5.9	4.7	64%	106%
Silver payable production	Moz	0.4	0.4	0%	0.3	0.2	0.1	50%	200%
Revenue	$	173,061	94,641	83%	101,105	71,956	42,689	41%	137%
Adjusted EBITDA[1]	$	56,533	(12,355)	558%	32,042	24,491	(5,709)	31%	661%
Operating cash flows before working capital	$	48,982	(27,595)	278%	33,530	15,452	(2,133)	117%	1672%
Net income (loss)	$	1,367	(194,986)	101%	3,877	(2,510)	(19,381)	254%	120%
Net income (loss) per share	$	0.00	(0.24)	100%	0.00	0.00	(0.02)	0%	100%
C1 Cash Cost[1]	$/lb	0.86	0.95	–9%	0.84	0.89	0.93	–6%	–10%
AISC[1]	$/lb	0.98	1.08	–9%	0.97	0.99	1.05	–2%	–8%
Sustaining capital expenditure[1]	$	15,861	19,661	–19%	9,211	6,650	7,033	39%	31%
Exploration expenditure	$	3,752	3,585	5%	2,068	1,684	421	23%	391%

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

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

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

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 four operational assets: the 90%-owned Perkoa Mine in Burkina Faso, the 90%-owned Rosh Pinah mine in Namibia, the wholly-owned Santander mine in Peru and the wholly-owned Caribou mine in New Brunswick. In addition, Trevali owns the 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; on January 15, 2021, the Company restarted operations with zinc payable production resuming on March 25, 2021. 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.

FINANCIAL AND OPERATIONAL SUMMARY

		YTD Q2'21	YTD Q2'20	YoY	**Q2'21**	Q1'21	Q2'20	Q2'21 vs Q1'21	Q2'21 vs Q2'20
Production									
Ore mined	t	1,260,708	1,274,816	–1%	711,153	549,555	513,462	29%	39%
Ore milled	t	1,321,012	1,283,898	3%	741,990	579,022	504,144	28%	47%
Zinc head grade		7.6%	7.9%	–4%	7.2%	8.0%	7.9%	–10%	–9%
Lead head grade		1.3%	1.2%	8%	1.4%	1.1%	0.9%	27%	56%
Silver head grade	(ozs/t)	1.1	1.1	0%	1.2	0.9	0.8	33%	50%
Zinc recovery		87.9%	87.9%	0%	87.9%	87.9%	88.5%	0%	–1%
Lead recovery		65.1%	70.8%	–8%	62.1%	70.9%	75.9%	–12%	–18%
Silver recovery		45.2%	48.5%	–7%	42.0%	52.1%	54.6%	–19%	–23%
Zinc payable	Mlbs	162.2	164.7	–2%	87.3	74.8	65.8	17%	33%
Lead payable	Mlbs	15.6	15.4	1%	9.7	5.9	4.7	64%	106%
Silver payable	Moz	0.4	0.4	0%	0.2	0.2	0.1	0%	200%
Sales									
Zinc payable	Mlbs	158.9	163.4	–3%	86.4	72.5	72.3	19%	20%
Lead payable	Mlbs	15.2	13.2	15%	13.8	1.4	7.4	886%	86%
Silver payable	Moz	0.4	0.4	0%	0.3	0.1	0.2	200%	50%
Cost per unit									
C1 Cash Cost[1]	$/lb	0.86	0.95	–9%	0.84	0.89	0.93	–6%	–10%
AISC[1]	$/lb	0.98	1.08	–9%	0.97	0.99	1.05	–2%	–8%

Consolidated quarterly production increased by 17% to 87.3 million pounds of payable zinc compared to the prior quarter at 74.8 million pounds of payable zinc and by 33% as compared to Q2 2020 as Q2 2021 is the first full quarter of production from Caribou following its restart in late March 2021.

C1 Cash Cost[1] and AISC[1] for Q2 2021 decreased by 6% and 2%, respectively, as compared to the prior quarter primarily due to an increase in by-product credits as Q2 2021 benefited from one of three expected lead concentrate sales at Rosh Pinah during 2021, which was partially offset by operational cost inflation at Perkoa and Rosh Pinah, weakening of the US dollar and timing of sustaining capital expenditures delayed from the prior quarter. AISC[1] for Q2 2021 reduced compared to the corresponding quarter of 2020 due to the reduction of the treatment charge benchmark rate, an increase in production volumes and an increase in by-product pricing.

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

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

		YTD Q2'21	YTD Q2'20	YoY	**Q2'21**	Q1'21	Q2'20	Q2'21 vs Q1'21	Q2'21 vs Q2'20
Revenues	$	173,061	94,641	83%	101,105	71,956	42,689	41%	137%
Zinc payable sales	Mlbs	158.9	163.4	–3%	86.4	72.5	72.3	19%	20%
Average zinc LME price	$/lb	1.27	0.93	37%	1.32	1.25	0.89	6%	48%
EBITDA[1]	$	46,057	(179,200)	126%	30,113	15,944	(4,312)	89%	798%
Adjusted EBITDA[1]		56,533	(12,355)	558%	32,042	24,491	(5,709)	31%	661%
Net income (loss)		1,367	(194,986)	101%	3,877	(2,510)	(19,381)	254%	120%
Net income (loss) per share basic and diluted		0.00	(0.24)	100%	0.00	0.00	(0.02)	0%	100%
Adjusted income (loss) per share[1]	$	0.01	(0.04)	125%	0.01	0.01	(0.03)	0%	133%

The increase in revenues in Q2 2021 to $101.1 million is attributable to the 19% increase in zinc payable sales volumes and 6% increase in zinc price. The 137% increase in revenues compared to the corresponding quarter in 2020 is due primarily to the 48% increase in zinc price, 20% increase in zinc payable sales volumes and the 47% decrease in 2021 zinc treatment charge benchmark.

Q2 2021 Adjusted EBITDA[1] of $32.0 million increased from $24.5 million in Q1 2021 primarily due to the 19% increase in zinc payable sales volumes, 6% increase in the zinc price and the 6% decrease in operating costs (C1 Cash Cost[1]). The difference between EBITDA[1] and Adjusted EBITDA[1] during Q2 2021 is minimal with the $1.9 million variance an impact of foreign exchange and mark-to-market revaluations. In contrast, the prior quarter and the corresponding quarter in 2020 included more significant mark-to-market and foreign exchange amounts.

REVISED 2021 GUIDANCE & OUTLOOK

Consolidated production guidance for 2021 was initially set at 330 – 360 million pounds of payable zinc, with 45 – 50 million pounds of payable lead and 925 – 1,025 thousand ounces of payable silver at a C1 Cash Cost[1] of $0.80 – $0.84 and AISC[1] of $0.90 – $0.97 per payable pound of zinc produced.

Production guidance is now revised to 330 – 355 million pounds of payable zinc, 40 – 44 million pounds of payable lead, and 888 – 972 thousand ounces of payable silver at a C1 Cash Cost[1] of $0.80 – $0.84 and AISC[1] of $0.94 – $0.98 per payable pound of zinc produced.

Revised Consolidated 2021 Production Guidance[2]

Payable Production by Asset	Previous Guidance[2] FY 2021	Revised Guidance[2] FY 2021
Zinc Production (Million lbs)		
Perkoa (100%)[3]	150 – 165	160 – 170
Rosh Pinah (100%)[3]	70 – 75	72 – 77
Santander	50 – 55	50 – 55
Caribou	60 – 65	48 – 53
Total Zinc Production	**330 – 360**	**330 – 355**
Lead Production (Million lbs)		
Rosh Pinah (100%)[3]	20 – 23	20 – 23
Santander	4 – 4	4 – 4
Caribou	21 – 23	16 – 17
Total Lead Production	**45 – 50**	**40 – 44**
Silver Productions (Thousand ozs)		
Rosh Pinah (100%)[3]	180 – 200	180 – 200
Santander	160 – 175	282 – 297
Caribou	585 – 650	428 – 477
Total Silver Production	**925 – 1025**	**888 – 972**

[1] *See "Use of Non-IFRS Financial Performance Measures".*
[2] *Constitutes forward-looking information; see "Cautionary Note Regarding Forward-Looking Statements".*
[3] *Trevali's ownership interest is 90% of Perkoa and 90% of Rosh Pinah.*

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

2021 Consolidated Operating Cost Guidance[2]

	Previous Guidance[2]		Revised Guidance[2]	
	FY 2021		FY 2021	
Asset	**C1 Cash Cost[1]** ($/lb Zn)	**AISC[1]** ($/lb Zn)	**C1 Cash Cost[1]** ($/lb Zn)	**AISC[1]** ($/lb Zn)
Perkoa (100%)[3]	0.81 – 0.86	0.89 – 0.94	0.83 – 0.87	0.90 – 0.94
Rosh Pinah (100%)[3]	0.61 – 0.65	0.85 – 0.90	0.66 – 0.70	0.95 – 0.99
Santander	1.01 – 1.07	1.06 – 1.12	1.03 – 1.09	1.08 – 1.14
Caribou	0.79 – 0.84	0.91 – 0.97	0.66 – 0.70	0.92 – 0.96
Total	**0.80 – 0.84**	**0.90 – 0.97**	**0.80 – 0.84**	**0.94 – 0.98**

2021 Consolidated Capital Expenditure Guidance[2]

Asset ($millions)	**Previous Guidance[2]** FY 2021	**Revised Guidance[2]** FY 2021
Sustaining Capital:		
Perkoa (100%)[3]	9	10
Rosh Pinah (100%)[3]	18	22
Santander	3	3
Caribou	9	10
Exploration Expenditures	6	7
Expansionary Capital	5	11
Total	**50**	**62**

Perkoa Mine, Burkina Faso

During the first half of 2021 mill optimization initiatives such as reduced ball mill sizes, reduced recirculation load and increased size of tailing pumps were implemented at Perkoa. The success of this program has resulted in increasing the operation's average mill throughput rate to 100 tonnes per hour against a historic average of 90 tonnes per hour. While production during Q2 2021 was impacted by a mobile equipment shipping delay and reduced output from the heavy fuel oil ("HFO") generators, the higher mill throughput rate is expected to lead to higher payable production for the full year 2021 and also to be sustained on an ongoing basis. Unit costs are expected to be higher for the full year 2021 as a result of updated mining contractor costs and higher energy costs caused by the reduced output from the HFO generators during June and July.

Given the success of the mill optimization work, zinc payable production for 2021 is now being guided to 160 – 170 million pounds, at a C1 Cash Cost[1] of $0.83 – $0.87 and AISC[1] of $0.90 – $0.94 per payable pound of zinc produced.

Rosh Pinah Mine, Namibia

The Rosh Pinah operation has performed well since the first quarter, which was negatively impacted by the availability of underground development crews related to COVID-19 safety protocols. Early in the second quarter the development bypass was completed to safely access the 000 western ore field stope and mining operations have since caught up to the original mine plan.

Unit costs have been negatively impacted during H1 2021 due to the weakening of the US dollar by 17% relative to the Namibian dollar. Approximately 90% of Rosh Pinah's costs are incurred in Namibian dollars or South African Rand.

[1] See "Use of Non-IFRS Financial Performance Measures".
[2] Constitutes forward-looking information; see "Cautionary Note Regarding Forward-Looking Statements".
[3] Trevali's ownership interest is 90% of Perkoa and 90% of Rosh Pinah.

As a result, previously issued 2021 production guidance for Rosh Pinah is being revised upwards to 72 – 77 million pounds of zinc payable and reconfirming previous guidance of 20 – 23 million pounds of lead payable, and 180 – 200 thousand ounces of silver payable. C1 Cash Cost[1] and AISC[1] guidance is being increased to $0.85 – $0.90 and $0.95 – $0.99, respectively, per payable pound of zinc produced.

Santander Mine, Peru

At the beginning of 2021 Trevali indicated that mining operations at the Magistral deposit were expected to complete by the end of the year and Santander would move into an exploration phase to focus on the discovery and definition of new mineralization to complement the existing Santander Pipe mineral resource. Given the current strength in the zinc market and operational results to date, the decision was made to increase underground development in 2021 to extend the mine life into the first half of 2022.

As a result, unit costs are expected to be modestly higher in 2021 given the additional 3,000 meters of development now scheduled in 2021 while zinc and lead payable production guidance is being reaffirmed and silver payable production guidance increased. Development costs are being expensed rather than capitalized given the current mine life assumptions. C1 Cash Cost[1] and AISC[1] are now guided at 1.03 – 1.09 per pound and $1.08 – $1.14, respectively, per pound of zinc payable produced.

Caribou Mine, Canada

In January 2021, the Company announced the restart of the Caribou mine with an initial two-year mine plan which included several operational and commercial enhancements. Mining operations began on February 10, 2021 and first concentrate was transported offsite by truck on March 30, 2021. The initial restart was on time and came in under the guided restart costs, however, ramp up has been slower than expected due to lower than planned ore stockpile levels caused by the COVID-19 pandemic which slowed the onboarding of personnel, the availability of underground equipment and supply chain logistics.

While these issues have since been resolved, the planned ore stockpile levels have not been achieved and the mill is expected to run an average throughput of 2,100 to 2,500 for the remainder of 2021. As a result, annual production guidance for 2021 is being revised down to 48 – 53 million pounds of zinc, 16 – 17 million pounds of lead, and 428 – 477 thousand ounces of silver.

C1 Cash Cost[1] and AISC[1] guidance is being reduced despite the lower production due to successful cost containment and saving programs. C1 Cash Cost[1] is forecast to be lower due to contractor equipment cost being treated as capital leases, whereas previously, this was expected to be expensed. C1 Cash Cost[1] and AISC[1] are guided lower to $0.66 – $0.70 and $0.92 – $0.96 respectively.

It is anticipated that by the end of 2021 a decision on whether to proceed on pursuing additional underground development which is expected to extend the mine life beyond the current 2-year mine plan will be made.

Expansionary Capital

Expansionary capital is being guided higher for the year largely resulting from an increase at Rosh Pinah related to the RP2.0 Expansion project. The Rosh Pinah RP2.0 Expansion Feasibility Study is advancing and is on track to be published during Q3 2021 and the Company is targeting an investment decision in the fourth quarter of 2021. In conjunction with the study certain early works projects are now expected to be advanced in 2021 including the electrical tie-ins related to the renewable power purchase agreement with EMESCO as well as specific detailed engineering activities to further de-risk the project. In addition, a successful pilot plant test program of the rapid oxidative leach technology for Caribou's ore and tailings is expected to lead to future study work on a PEA and NI-43-101 Technical Report commencing in H2 2021. As a result, consolidated expansionary capital guidance for 2021 is being revised upwards to $11 million; however, guidance still excludes the majority of the RP2.0 execution funding at this time.

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

Market Outlook

Management of the Company believes that the outlook for the zinc market remains robust. The metals sector has performed well as global economic activity increased and pent-up demand struggled to be satisfied due to supply chain constraints. Although there has been a pause in price increases of late, management believes the structural shift towards a metal intensive economic environment is still in its infancy. The Company expects multiple factors to drive this shift including infrastructure spending initiatives, decarbonization of energy sources, electrification of transportation and technology-related improvements in manufacturing efficiency.

The decline in the zinc price and the other metals witnessed late in the quarter was given added pressure by the strengthening of the dollar and confirmation that China's State Reserve Bureau will start selling parcels of metal, zinc included, in the coming months to dampen prices. The International Lead Zinc Study Group reported that the Chinese State Reserves Bureau holds 250,000 tonnes of refined zinc, which was accumulated between late 2009 and early 2013.

Meanwhile, global manufacturing is strong. Growth of the eurozone manufacturing sector hit new heights during June, with the headline Purchasing Managers' Index ("PMI") setting a fresh survey record for a fourth successive month. After accounting for seasonal factors, the PMI improved to 63.4, up from 63.1 in May. The manufacturing PMI for Japan came in at 52.4 in June, down from 53.0 in May. This indicated a fifth consecutive monthly improvement in the health of the sector, though the pace of the expansion was the softest since February. The Chinese manufacturing sector expanded at a slower pace in June. Production and new orders continued to expand, albeit at mild rates. Thus, at 51.3 in June, the headline seasonally adjusted general manufacturing PMI for China was down from 52.0 posted in May. The reading was the slowest recorded since March 2020, however it was reported that the pandemic and difficulties obtaining inputs had weighed on growth in the period.

As reported earlier this year, annual benchmark contract treatment charge for zinc concentrate was agreed to in Asia and Europe at $159 per tonne versus $300 per tonne agreed to last year. Trevali's concentrate off-take agreements reference the annual benchmark treatment charges. Although market expectations are for zinc concentrate supply to expand in the coming quarters, the low annual benchmark reflected tightness in the concentrate. In a recent market update, Wood Mackenzie's June indicative spot treatment charge was reported at $80 per tonne CIF MCP, up from $78 per tonne in May. This is the third consecutive monthly increase since the lows of the first quarter.

During Q2 2021, the London Metals Exchange ("LME") zinc price averaged $1.32 per pound, maintaining its improvement from its pandemic low of $0.82 per pound reached back in March 2020. This compares to an average LME zinc price of $0.84 per pound in Q2 2020 and $1.25 per pound in Q1 2021. The Company believes that fundamental support for zinc prices will continue in the medium term as demand will outweigh supply as global economic activity recovers and previously mentioned infrastructure spending and green energy initiatives make an impact.

LME exchange inventories decreased to 256,000 tonnes by end of Q2 2021 versus 270,500 tonnes on March 31, 2021. Shanghai Futures Exchange ("SHFE") zinc stocks dropped to 35,000 tonnes versus 113,000 tonnes at the end of Q1 2021. At 8 days of global consumption, this inventory level is well below historical averages of 18 days and is also supportive of higher zinc prices.

Relatively low stocks and robust demand continue to put upward pressure on spot metal premiums and spot zinc premiums which are moving higher. In North-Western Europe they are in the region of $120 – 130 per tonne up from $100 – 110 per tonne in May. In the US, meanwhile, spot premiums are in the upper part of the $193 – 198 per tonne range. Those for Southeast Asia are in the region of $110 per tonne.

CORPORATE DEVELOPMENTS

On December 2, 2020, the Company closed its marketed offering of 186,530,000 units at a price of C$0.185 per unit for aggregate gross proceeds of $26.6 million (C$34.5 million), which included the exercise of the full amount of the over-allotment option of 24,330,000 units. Each unit is comprised of one common share and one-half of one common share purchase warrant entitling the holder thereof to acquire one common share at a price of C$0.23 until June 2, 2022. Glencore plc exercised its pre-emptive participation rights in the offering to purchase 49,000,000 units.

On January 15, 2021, the Company announced the planned restart of its Caribou mine which had been on a care and maintenance program since March 2020. The Company has reduced its exposure to commodity price fluctuations during the initial two-year plan by entering into a 21-month fixed-pricing arrangement for 115 million pounds of payable zinc production from Caribou, at an average price of $1.25 per pound.

On January 18, 2021, the Company announced the appointment of Jeane Hull to its Board of Directors effective February 1, 2021.

On January 18, 2021, the Company announced preliminary 2020 full year and Q4 production results and 2021 operating, capital and exploration expenditure guidance.

On February 26, 2021, the Company announced that it had entered into a binding term sheet that sets out the terms for an exploration joint venture with Arrow Minerals (ASX: AMD), wherein both parties agreed to grant the other reciprocal exploration rights to their exploration permits in the prospective Boromo gold belt in Burkina Faso which the Company believes is underexplored for base metals.

On March 30, 2021, the Company announced that it had trucked its first ore concentrate from the Caribou mine since announcing the planned restart of operations on January 15, 2021.

On March 31, 2021, the Company reported its Mineral Reserves and Mineral Resources statements as of December 31, 2020. Proven and Probable Mineral Reserves have increased globally and grades have reduced marginally due to an increase in Net Smelter Return value resulting from reduced offsite costs and increased metal price forecasting. For further information, refer to the March 31, 2021 press release entitled "Trevali Reports 2020 Mineral Reserves and Resources; Increasing Mineral Reserves at Rosh Pinah and Caribou Mine"

In April 2021, the 2021 annual treatment charge benchmark rates were agreed for both zinc and lead. Zinc treatment charges were set at $159 per tonne and lead treatment charges were set at $136 per tonne, decreases of 47% and 26%, respectively compared to the 2020 benchmark. Trevali's concentrate off-take agreements reference the annual benchmark treatment charge rates. These rates are retroactive and apply to concentrate produced during 2021, regardless of when the sale occurs.

On April 7, 2021, the Company announced it had entered into a 15-year renewable power purchase agreement with Emerging Markets Energy Services Company ("EMESCO") for the supply of solar power to the Rosh Pinah mine. The Company has previously committed to achieving an overall Green House Gas ("GHG") emission reduction target of 25% by 2025 from its 2018 baseline. This agreement with EMESCO is anticipated to deliver 30% of Rosh Pinah's power requirements during the life of the agreement and reduce GHG emissions at the Company level by 6%.

On May 12, 2021, the Company announced the results of the Annual General Meeting with shareholders voting in favour of all items of business: the election of Directors, reappointment of auditors and advisory vote on Trevali's approach to executive compensation.

On May 26, 2021, the Company announced the appointment of David Schummer as Chief Operating Officer effective August 30, 2021.

On June 3, 2021, the Company published its 2020 Sustainability Report, the third annual report covering new performance targets and disclosures.

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

On August 3, 2021, the Company announced that a pilot plant testing program using Caribou run-of-mine and milled material at FLSmidth's Rapid Oxidative Leach ("ROL") process testing facility in Salt Lake City, Utah, is underway. If the pilot plant testing program indicates that the ROL technology has the potential to be successfully implemented at Caribou, it may allow Trevali to replace the existing flotation circuit at Caribou with atmospheric leach vessels and potentially an SX/EW train, introducing the possibility of producing base and precious metals on-site and thereby save transport costs and offsite treatment costs.

CONSOLIDATED FINANCIAL RESULTS

The following table summarizes the change in net loss YTD and the Q2 2021 quarter:

		YTD Q2'21 vs YTD Q2'20	Q2'21 vs Q2'20
Net loss for the 2020 period	$	(194,986)	(19,381)
Increase in revenues		78,420	58,416
Expense components:			
Increase in Mine operating expenses		(16,824)	(28,206)
(Increase) decrease in General and administrative		(509)	304
Decrease in Impairment		153,419	–
Decrease (increase) in Other items		1,772	(3,241)
Increase in Income tax expense		(19,925)	(4,015)
Net increase	$	196,353	23,258
Net income for the 2021 period	$	1,367	3,877

Net income increased YTD Q2 2021 compared to corresponding period of 2020 primarily due to the $153.4 million impairment of property, plant and equipment related to the Caribou and Santander mines and the Canadian, Peruvian and Namibian exploration properties that was recorded in Q1 2020. In addition, revenues have also increased with the increase in commodity prices, more than offsetting the increases in mine operating and income tax expenses.

Net income increased in Q2 2021 compared to Q2 2020 primarily due to increased revenues, a direct result of the increase in commodity prices but also having the Caribou mine fully operating as it was on care and maintenance during Q2 2020. Revenues more than offset the corresponding increase in mine operating expenses.

Revenues

		YTD Q2'21	YTD Q2'20	YoY	**Q2'21**	Q1'21	Q2'20	Q2'21 vs Q1'21	Q2'21 vs Q2'20
Revenues									
Zinc revenue	$	202,700	154,770	31%	111,899	90,801	66,331	23%	69%
Lead and silver revenue		26,410	17,631	50%	22,316	4,094	9,241	445%	141%
Smelting and refining costs		(56,049)	(77,760)	–28%	(33,110)	(22,939)	(32,883)	44%	1%
Net revenue	$	173,061	94,641	83%	101,105	71,956	42,689	41%	137%
Average zinc LME price	$/lb	1.27	0.93	37%	1.32	1.25	0.89	6%	48%
Average lead LME price	$/lb	0.93	0.80	16%	0.96	0.92	0.77	4%	25%
Average silver LBMA price	$/oz	26.39	16.63	59%	26.70	26.29	16.33	2%	64%
Sales quantities									
Payable zinc	Mlbs	158.9	163.4	–3%	86.4	72.5	72.3	19%	20%
Payable lead	Mlbs	15.2	13.2	15%	13.9	1.4	7.4	893%	88%
Payable silver	Mozs	0.4	0.4	0%	0.3	0.1	0.2	200%	50%

The average zinc price in Q2 2021 as quoted on the LME of $1.32 per pound increased by 6% when compared to the previous quarter and 48% compared to Q2 2020. The price of lead increased by 4% and 25% over the comparative periods, respectively, while silver increased by 2% and 64%, respectively.

Payable zinc sales volumes increased 19% when compared with the prior quarter to 86.4 million pounds which, together with the increase in zinc prices, resulted in a 23% increase to zinc revenues. Smelting and refining costs increased by 44% due primarily to increase in sales quantities (zinc and lead).

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

Payable zinc sales increased compared to the corresponding quarter in the prior year due to Caribou restarting operations in March of 2021 while it was on care and maintenance during Q2 2020 as well as the timing of shipments at Perkoa and Rosh Pinah.

Lead and silver revenues of $22.3 million increased by 445% from the prior quarter primarily as a result of increased sales quantities due to the timing of lead shipments at Rosh Pinah, which typically has two lead shipments annually (three are planned during 2021), one of which occurred in Q2 2021 and none during Q1 2021 as well as the restart of operations at Caribou in March 2021. By-product revenues increased compared to the corresponding quarter in the prior year due to the restart of operations at Caribou, the Rosh Pinah lead shipment was not a factor with shipments in both quarters.

Settlement Mark-to-Market

		Zinc	Lead
Spot 3-month future price as at March 31, 2021	$/lb	1.27	0.90
Provisionally priced metal – March 31, 2021	Mlbs	27.9	0.5
Average 3-month future price for March 2021	$/lb	1.27	0.90
Average Q2 LME price	$/lb	1.32	0.96
Provisionally priced metal – June 30, 2021	Mlbs	28.4	4.3
Average 3-month future price for June 30, 2021	$/lb	1.35	0.99
Spot 3-month future price as at June 30, 2021	$/lb	1.34	1.04

All 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.

The $0.3 million settlement mark-to-market loss for Q2 2021 primarily reflects the low quantity of provisionally priced metal during the quarter as well as reduced volatility of the 3-month future zinc price as the estimated final zinc pricing increased from $1.27 per pound to $1.35 per pound at June 30, 2021, and closely tracked the average zinc spot price which was $1.27 per pound for Q1 2021 and $1.32 per pound for Q2 2021.

Each $0.05 change in the zinc price per pound realized from the provisional price recorded of $1.35 per pound as at June 30, 2021 is estimated to result in a change of approximately $1.4 million on the 2021 settlement mark-to-market and EBITDA[1].

Other Items

		YTD Q2'21	YTD Q2'20	YoY	**Q2'21**	Q1'21	Q2'20	Q2'21 vs Q1'21	Q2'21 vs Q2'20
Settlement mark-to-market loss (gain)	$	265	12,472	98%	348	(83)	(3,101)	519%	111%
Mark-to-market loss on financial instruments		1,198	–	100%	456	742	–	–39%	100%
Loss (gain) on foreign exchange		2,171	(367)	692%	1,629	542	3,469	201%	–53%
Interest expense		5,594	4,416	27%	2,787	2,807	2,872	–1%	–3%
Mine restart expenses		6,338	–	100%	–	6,338	–	–100%	0%
Restructuring expenses		–	5,428	–100%	–	–	–	0%	0%
Other expenses (income)		505	(4,107)	112%	(503)	1,008	(1,765)	–150%	–71%
	$	16,071	17,842	–10%	4,717	11,354	1,475	–58%	220%

The decrease in other items during Q2 2021, compared to the comparative quarters is primarily due to no one-off items during the current quarter and reduced mark-to-market adjustments to both financial instruments and settlement receivables as a result of the market stability during the quarter. Other expenses in the prior quarter included Caribou mine restart expenses. Restructuring expenses in Q1 2020 of $5.4 million related to the change in executive management and Caribou's transition to care and maintenance.

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

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

Income Taxes

		YTD Q2'21	YTD Q2'20	YoY	Q2'21	Q1'21	Q2'20	Q2'21 vs Q1'21	Q2'21 vs Q2'20
Current income tax expense	$	1,661	763	118%	1,170	491	214	138%	447%
Deferred income tax expense (recovery)		2,449	(16,577)	115%	1,571	878	(1,487)	79%	206%
	$	4,110	(15,814)	126%	2,741	1,369	(1,273)	100%	315%

The current income tax expense in Q2 2021 reflects mining taxes during the quarter, an increase from the prior quarter due to increased income before taxes. Deferred income tax expense for Q2 2021 is consistent with the prior quarter but higher than the comparative quarter of the prior year.

PERKOA MINE, BURKINA FASO

		YTD Q2'21	YTD Q2'20	YoY	Q2'21	Q1'21	Q2'20	Q2'21 vs Q1'21	Q2'21 vs Q2'20
Production									
Ore mined	t	353,165	385,291	–8%	161,691	191,474	192,258	–16%	–16%
Ore milled	t	401,665	373,911	7%	195,596	206,069	187,757	–5%	4%
Zinc head grade		12.5%	11.7%	7%	12.2%	12.9%	10.7%	–5%	14%
Zinc recovery		88.8%	89.7%	–1%	90.3%	87.5%	88.2%	3%	2%
Zinc concentrate grade		50.3%	52.7%	–5%	50.1%	50.5%	52.1%	–1%	–4%
Zinc payable	Mlbs	82.9	73.6	13%	39.9	43.0	32.9	–7%	21%
Sales									
Zinc payable	Mlbs	79.3	74.2	7%	41.3	38.0	35.4	9%	17%
C1 Cash Cost[1]	$/lb	0.88	0.98	–10%	0.96	0.80	1.06	20%	–9%
AISC[1]	$/lb	0.94	1.08	–13%	1.03	0.87	1.18	18%	–13%
FINANCE									
Revenues, net	$	75,714	37,458	102%	39,304	36,410	17,410	8%	126%
Mine operating expenses		48,640	42,200	15%	26,701	21,939	21,581	22%	24%
Adjusted EBITDA[1]		27,074	(4,742)	671%	12,603	14,471	(4,171)	–13%	402%
Other expense (income)		986	12,988	–92%	(1,054)	2,040	(3,633)	–152%	71%
EBITDA[1]		26,088	(17,730)	247%	13,657	12,431	(541)	10%	2624%
Depreciation, depletion & amortization		18,372	10,490	75%	10,135	8,237	5,103	23%	99%
EBIT[1]	$	7,716	(28,220)	127%	3,522	4,194	(5,644)	–16%	162%

Payable zinc production for Q2 2021 was 39.9 million pounds, a 7% decrease over the prior quarter due to a 5% decrease in ore milled due to reduced power output from the HFO generators, compounded by a 5% reduction in the zinc head grade due to mine sequencing, partially offset by a 3% improvement in zinc recovery. Payable zinc production increased 21% compared to the corresponding quarter in 2020 due to a 14% increase in zinc head grade combined with a higher mill throughput rate. The higher mill throughput rate is expected to continue at the H1 2021 level for the remainder of the year.

Payable zinc volumes sold for Q2 2021 are 9% higher than the prior quarter primarily due to the reduction of inventory at quarter end. The 17% increase in zinc payable sold from the corresponding quarter in 2020 is due the higher production rate but was also impacted by the timing of shipments.

C1 Cash Cost[1] and AISC[1] in Q2 2021 increased by 20% and 18%, respectively, compared to the prior quarter due to the impact of the decrease in zinc payable production and increased energy costs due to unplanned downtime of the HFO generators as well as general cost inflation. The C1 Cash Cost[1] and AISC[1] decreased by 9% and 13%, respectively, compared to the corresponding quarter in 2020 due to decreased smelting and refining charges caused by the reduction of the treatment charge benchmark rate and the 21% increase in production.

Q2 2021 Adjusted EBITDA[1] decreased by $1.9 million compared to the prior quarter due to the operating cost increase and increased when compared to the corresponding quarter of 2020 due to increased revenues related to higher zinc prices and decreased smelting and refining charges.

[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 Q2'21	YTD Q2'20	YoY	Q2'21	Q1'21	Q2'20	Q2'21 vs Q1'21	Q2'21 vs Q2'20
Production									
Ore mined	t	337,629	347,412	–3%	188,576	149,053	172,312	27%	9%
Ore milled	t	337,382	361,443	–7%	175,895	161,487	178,405	9%	–1%
Zinc head grade		6.4%	7.7%	–17%	6.8%	6.0%	7.2%	13%	–6%
Lead head grade		1.5%	1.2%	25%	1.2%	1.7%	1.2%	–29%	0%
Silver head grade	ozs/t	0.5	0.5	0%	0.5	0.5	0.5	0%	0%
Zinc recovery		87.1%	87.7%	–1%	87.1%	86.0%	88.3%	1%	–1%
Lead recovery		65.8%	71.8%	–8%	55.3%	71.4%	73.9%	–23%	–25%
Silver recovery		39.4%	50.6%	–22%	31.7%	43.7%	44.5%	–27%	–29%
Zinc concentrate grade		50.5%	50.2%	1%	51.7%	49.6%	51.1%	4%	1%
Lead concentrate grade		47.7%	44.2%	8%	44.2%	47.2%	48.1%	–6%	–8%
Zinc payable	Mlbs	35.0	45.4	–23%	19.6	15.4	20.9	27%	–6%
Lead payable	Mlbs	7.0	6.1	15%	2.9	4.1	3.3	–29%	–12%
Silver payable	Moz	0.1	0.1	0%	0.1	–	–	100%	100%
Sales									
Zinc payable	Mlbs	38.8	43.1	–10%	19.5	19.3	23.5	1%	–17%
Lead payable	Mlbs	9.0	5.5	64%	9.0	–	5.5	100%	64%
Silver payable	Mozs	0.1	0.1	0%	0.1	–	0.1	100%	0%
C1 Cash Cost[1]	$/lb	0.80	0.72	11%	0.51	1.18	0.68	–57%	–25%
AISC[1]	$/lb	1.05	0.88	19%	0.77	1.41	0.82	–45%	–6%
FINANCE									
Revenues, net	$	45,151	24,466	85%	27,907	17,245	15,542	62%	80%
Mine operating expenses		24,896	19,068	31%	14,668	10,230	9,950	43%	47%
Adjusted EBITDA[1]		20,255	5,398	275%	13,239	7,015	5,592	89%	137%
Impairment		–	31,524	0%	–	–	–	0%	0%
Other expense(income)		1,037	(7,520)	114%	1,663	(630)	3,141	364%	–47%
EBITDA[1]		19,218	(18,606)	203%	11,576	7,645	2,451	51%	372%
Depreciation, depletion & amortization		9,696	10,324	–6%	5,836	3,860	6,379	51%	–9%
EBIT[1]	$	9,522	(28,930)	133%	5,740	3,785	(3,928)	52%	246%

Payable zinc production for Q2 2021 was 19.6 million pounds, an increase of 27% when compared to the prior quarter primarily due to the 13% increase in zinc head grade and increased mill throughput rate resulting in 9% higher ore milled. Q2 2021 payable zinc production decreased by 6% when compared to the corresponding quarter in 2020 due to the 6% reduction in zinc head grade in accordance with the mine plan. Improvements have been made with challenging, harder microquartzite material through an optimized blended feed to the mill, improved process plant stability and increased ore processing rates and will remain an area of focus with the ore stockpile being replenished to support these blending efforts.

Payable zinc volumes sold for Q2 2021 were consistent compared to the prior quarter and decreased compared to the corresponding quarter due to decreased production. As planned, there was one lead shipment during the quarter while the prior quarter did not have a lead sale. The current mine plan allows for three lead shipments during 2021, with one expected in each of the two remaining quarters.

C1 Cash Cost[1] and AISC[1] decreased by 57% and 45%, respectively, compared to the prior quarter primarily due to the lead shipment, one of three scheduled during 2021. When compared to the corresponding quarter in 2020, C1 Cash Cost[1] and AISC[1] decreased by 25% and 6%, respectively, primarily due to decreased smelting and refining charges due to the reduction of the treatment charge benchmark rate and a larger lead shipment at higher lead and silver prices, partially offset by lower zinc payable production and the strengthening of the Namibian dollar leading to an increase in costs.

Adjusted EBITDA[1] in Q2 2021 increased by $6.2 million compared to the prior quarter due to the lead shipment during the current quarter and higher zinc prices. The increase compared to the corresponding quarter in 2020 is primarily due to higher zinc and lead and silver prices, increase in lead payable sold and decreased smelting and refining charges.

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

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

During Q1 2020, the Company performed an impairment review of its interest in the Gergarub project, located 15 kilometres north-west of Rosh Pinah following the suspension of operations by the nearby Skorpion Zinc mine, which is the holder of a 51% interest in the Gergarub project, unrelated to the current mining operations at Rosh Pinah. 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).

SANTANDER MINE, PERU

		YTD Q2'21	YTD Q2'20	YoY	**Q2'21**	Q1'21	Q2'20	Q2'21 vs Q1'21	Q2'21 vs Q2'20
Production									
Ore mined	t	360,131	350,296	3%	172,816	187,315	148,892	–8%	16%
Ore milled	t	369,267	353,239	5%	175,412	193,855	137,982	–10%	27%
Zinc head grade		4.3%	5.3%	–19%	4.0%	4.6%	5.2%	–13%	–23%
Lead head grade		0.5%	0.7%	–29%	0.5%	0.5%	0.6%	0%	–17%
Silver head grade	ozs/t	1.0	1.1	–9%	1.0	1.0	1.2	0%	–17%
Zinc recovery		93.8%	89.3%	5%	94.2%	93.4%	90.0%	1%	5%
Lead recovery		78.0%	83.1%	–6%	78.5%	77.4%	80.9%	1%	–3%
Silver recovery		62.2%	61.7%	1%	63.7%	60.9%	59.8%	5%	7%
Zinc concentrate grade		47.8%	47.6%	0%	47.6%	47.9%	48.1%	–1%	–1%
Lead concentrate grade		48.4%	51.7%	–6%	47.3%	49.6%	49.1%	–5%	–4%
Zinc payable	Mlbs	27.2	30.4	–11%	12.0	15.3	12.0	–22%	0%
Lead payable	Mlbs	2.9	4.2	–31%	1.5	1.4	1.4	7%	7%
Silver payable	Moz	0.2	0.2	0%	0.1	0.1	0.1	0%	0%
Sales									
Zinc payable	Mlbs	27.2	30.0	–9%	11.9	15.2	13.3	–22%	–11%
Lead payable	Mlbs	2.9	4.2	–31%	1.5	1.4	1.9	7%	–21%
Silver payable	Mozs	0.2	0.2	0%	0.1	0.1	0.1	0%	0%
C1 Cash Cost[1]	$/lb	0.93	0.91	2%	1.03	0.85	1.02	21%	1%
AISC[1]	$/lb	0.96	1.06	–9%	1.04	0.89	1.12	17%	–7%
FINANCE									
Revenues, net	$	34,005	22,652	50%	15,704	18,301	9,794	–14%	60%
Mine operating expenses		24,959	20,014	25%	12,455	12,504	9,540	0%	31%
Adjusted EBITDA[1]		9,046	2,638	243%	3,249	5,797	254	–44%	1179%
Impairment		–	23,201	–100%	–	–	–	0%	0%
Other (income) expense		(164)	1,382	–112%	(105)	(59)	(1,066)	–78%	90%
EBITDA[1]		9,210	(21,945)	142%	3,354	5,856	1,320	–43%	154%
Depreciation, depletion & amortization		1,761	3,118	–44%	1,066	695	1,368	53%	–22%
EBIT[1]	$	7,449	(25,063)	130%	2,288	5,161	(48)	–56%	4867%

Payable zinc production of 12.0 million pounds in Q2 2021 was 22% below the prior quarter as a result of the decrease in mill throughput and zinc head grades, partially offset by an increase in zinc recovery and increased lead production. Payable zinc production is equal to the corresponding quarter in 2020 where higher tonnes mined and processed in 2021 were offset by decreased head grades in accordance with the mine plan.

Payable zinc volume sold for Q2 2021 was 22% below the prior quarter and equal to the corresponding quarter in 2020 as a direct result of the decrease in zinc payable production.

C1 Cash Cost[1] and AISC[1] in Q2 2021 increased by 21% and 17%, respectively, compared to the prior quarter primarily due to the 22% decrease in zinc payable production and additional mine development meters which extends the mine plan through Q1 2022. C1 Cash Cost[1] is consistent with the corresponding quarter in 2020 as increased mine operating costs were offset by lower smelting and refining charges. AISC[1] decreased by 7% with costs for additional development meters to potentially extend the mine life into H2 2022 being expensed and included within C1 Cash Cost[1].

Adjusted EBITDA[1] in Q2 2021 decreased by $2.5 million compared to the prior quarter due to the reduction in sales volumes due to reduced production. The increase of $3.0 million from the corresponding quarter in 2020 is due to higher zinc prices and decreased smelting and refining charges partially offset by increased mining costs during the current quarter.

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

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

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

$7.7 million and excludes $4.2 million deferred tax recovery), as a result of the adverse change to the business environment caused by the COVID-19 pandemic.

CARIBOU MINE, CANADA

		YTD Q2'21	YTD Q2'20	YoY	Q2'21	Q1'21	Q2'20	Q2'21 vs Q1'21	Q2'21 vs Q2'20
Production									
Ore mined	t	209,783	191,817	9%	188,070	21,713	–	766%	100%
Ore milled	t	212,698	195,305	9%	195,087	17,611	–	1008%	100%
Zinc head grade		5.6%	5.5%	1%	5.6%	5.5%	–	2%	100%
Lead head grade		2.2%	2.1%	5%	2.2%	2.1%	–	5%	100%
Silver head grade	ozs/t	2.1	1.9	11%	2.1	2.1	–	0%	100%
Zinc recovery		77.8%	78.1%	0%	78.8%	67.3%	–	17%	100%
Lead recovery		59.3%	62.2%	–5%	60.0%	51.4%	–	17%	100%
Silver recovery		33.4%	33.0%	1%	34.0%	26.7%	–	27%	100%
Zinc concentrate grade		47.4%	45.6%	4%	47.6%	45.9%	–	4%	100%
Lead concentrate grade		37.0%	36.0%	3%	37.2%	35.0%	–	6%	100%
Zinc payable	Mlbs	16.9	15.4	10%	15.7	1.2	–	1208%	100%
Lead payable	Mlbs	5.6	5.0	12%	5.2	0.4	–	1200%	100%
Silver payable	Mozs	0.2	0.1	100%	0.1	–	–	100%	100%
Sales							–		
Zinc payable	Mlbs	13.7	16.1	–15%	13.7	–	–	100%	100%
Lead payable	Mlbs	3.3	3.5	–6%	3.3	–	–	100%	100%
Silver payable	Mozs	0.1	0.1	0%	0.1	–	–	100%	100%
C1 Cash Cost[1]	$/lb	0.80	1.54	–48%	0.80	0.87	–	–8%	100%
AISC[1]	$/lb	1.05	1.73	–39%	1.01	1.50	–	–33%	100%
FINANCE									
Revenues, net	$	18,191	10,065	81%	18,191	–	(57)	100%	n/a
Mine operating expenses		12,544	16,496	–24%	12,828	(284)	(20)	n/a	n/a
Care and maintenance		386	3,947	–90%	–	386	3,947	–100%	–100%
Adjusted EBITDA[1]		5,261	(10,378)	151%	5,363	(102)	(3,984)	5358%	235%
Impairment		–	56,780	–100%	–	–	–	0%	0%
Other expense		7,276	3,279	122%	826	6,450	132	–87%	526%
EBITDA[1]		(2,015)	(70,437)	97%	4,537	(6,552)	(4,116)	169%	210%
Depreciation, depletion & amortization		4,770	2,764	73%	3,482	1,288	385	170%	804%
EBIT[1]	$	(6,785)	(73,201)	91%	1,055	(7,840)	(4,501)	113%	123%

The Caribou mine was placed on care and maintenance on March 26, 2020 in response to adverse market conditions, combined with high concentrate treatment charge rates. The change in operational status triggered an impairment review which resulted in a non-cash impairment charge of $56.8 million that was recorded in Q1 2020.

In January 2021, the Company announced the planned restart of operations at the Caribou mine, with first payable zinc production achieved by the end of March 2021. The initial two-year operating plan includes a 21-month fixed-pricing arrangement for 115 million pounds of payable zinc production from Caribou, at a zinc price of $1.25 per pound. During Q1 2021, restart costs of $6.3 million were incurred, in line with the restart plan to transition the operation from care and maintenance to full production.

From the period April 2020 to March 25, 2021 when full production was achieved following the restart of operations, Caribou's care and maintenance costs were disclosed separately within operating expenses on the consolidated statement of operations. Other expense includes the one-off charges related to operational restart activities.

Q2 2021, Caribou's first full quarter following the timely initial restart of operations was generally successful and went according to plan. There were some delays ramping up production due to the onboarding of personnel, mobile equipment availability, unscheduled downtime of the processing plant and the ore stockpile that we had planned to build up was ultimately not achieved due to the aforementioned delays.

While these issues have since been resolved, the planned ore stockpile levels have not been achieved and the mill is expected to run an average throughput of 2,100 to 2,500 for the remainder of 2021.

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

AISC[1] of $1.01 per pound during Q2 2021, despite lower by-product credits due to the delay of a second lead concentrate sale to Q3 2021, is well below the $1.74 in Q1 2020 and $1.24 in Q4 2019, the two quarters leading up to the decision to move Caribou to a care and maintenance program.

DEVELOPMENT AND EXPLORATION PROJECTS

RP2.0 Project, Rosh Pinah

Following the positive RP2.0 PFS results announced in August 2020, work has continued towards completing a Final Feasibility Study. The study remains on track for completion in Q3 2021 to allow for an investment decision to be made by the end of the year; project financing efforts are ongoing.

Rapid Oxidative Leach Program, Caribou

Trevali has begun a pilot plant testing program using Caribou run-of-mine and milled material at FLSmidth's Rapid Oxidative Leach ("ROL") process testing facility in Salt Lake City, Utah, is underway. The program expands on previous laboratory test work and is aimed at demonstrating the potential to recover zinc, lead, copper, gold, and silver as a precipitate or metal and additional zinc and lead from Caribou ore and mill tailings. Highlights of the pilot plant study include increased metallurgical recoveries, production of precipitate or metal on site reducing freight costs and eliminating treatment charges, reduction of carbon footprint, processing of tailings to increase revenue and reducing closure obligations. If the pilot plant is successful, it is expected to lead to further study work including a preliminary economic assessment and NI 43-101 technical report.

Exploration Program

The 2021 exploration program objectives are to continue to focus on advancing near-mine exploration targets towards the development of new mineral resources located within trucking distance of existing mines at Perkoa, Rosh Pinah and Santander, while also maintaining a necessary level of expenditures on regional programs to make new discoveries.

Perkoa Exploration, Burkina Faso

During Q2 2021, drilling to follow up on previous T3 intercepts from the 2019/2020 exploration programs continued with a combination of surface and underground holes. All holes intersected the altered volcaniclastic horizon that host the T3 zone along with narrow mineralized horizon. Given the narrow nature of the 2021 drilling intercepts encountered so far during the first two quarters, the decision was made to suspend the surface drilling program while underground drilling is expected to resume in Q4 2021 once the ramp has reached the deepest level which will provide better drilling angles.

Regional exploration drilling programs along with ground fluxgate electro-magnetic ("EM") surveys continued in Q2 2021. Multiple regional targets were tested during Q2 2021 and the regional drilling program will continue during Q3 2021 until targets become inaccessible due to the rainy and farming season.

Rosh Pinah Exploration, Namibia

Drilling from underground continued during Q2 2021 along the Western Orefield and the AAB deposits targeting areas at depth for mineral resource conversion and exploration. Drilling during the quarter was successful in extending both deposits down plunge.

On the regional front, surface EM surveys along the Eastern Limb of the Rosh Pinah deposit continued during the quarter. Regional drilling programs also continued on numerous anomalies located along strike the Western Orefield deposit, to the North with holes drilled at the Omuramba and Bakoven anomalies, and on the Eastern limb targeting the extension of the Eastern Orefields. Drilling in Q3 2021 will focus on the Western Orefield North Extension.

Several geophysical and geochemical targets remain untested along strike with the Rosh Pinah deposit where mineralization within the belt is associated with felsic volcanic flows and rhyolite domes.

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

Santander Exploration, Peru

Exploration drilling continued at Santander during Q2 2021 with surface drilling focusing on regional drilling following the completion of the magneto-telluric ("MT") drilling program. Regional drilling in Q2 2021 mostly focused on the Puajanca anomaly which is located North of the Santander Pipe deposit along an anticlinal. Drilling of a deep geophysical anomaly was also completed with no significant results.

Drilling in Q3 2021 will continue focusing on the Northern anomalies of Puajanca, Blanquita and Nati.

Bathurst Camp Exploration, New Brunswick

Exploration is expected to resume in Q3 2021 in the Bathurst Camp with regional exploration programs on the Halfmile Lake and California Lake tenements. The exploration program will consist of air magnetic surveys, mapping and prospecting.

LIQUIDITY AND CAPITAL RESOURCES

Balance Sheet Review

		June 30, 2021	December 31, 2020	Change
Cash and cash equivalents	$	27,694	33,500	–17%
Other current assets		129,045	108,250	19%
Non-current assets		422,257	430,274	–2%
Total Assets		578,996	572,024	1%
Current debt		19,683	16,840	17%
Other current liabilities		59,406	56,261	6%
Non-current liabilities		271,828	272,760	0%
Non-controlling interests		(12,818)	(13,257)	3%
Equity attributable to owners of Trevali		240,897	239,420	1%
Total Liabilities and Equity		578,996	572,024	1%

The 17% decrease in cash is described in the "Cash Flows" section while the 19% increase in other current assets is primarily due to the $18.8 million increase in settlement receivables due to the timing of shipments and increased commodity prices.

Non-current assets decreased by $8.0 million, a net impact of capital additions mostly offset by depreciation charged during the period and the reclassification of the remaining non-current value-added taxes ("VAT") receivable balance to current.

The 17% increase in current debt is due to the $3.2 million increase in the current portion of the lease liability recognized at Caribou for the right-of-use assets identified in the mining contractor arrangement.

There was no change to non-current liabilities despite the $6.4 million reclassification to current debt relating to the repayment required by the Facility that was paid in early May 2021 in accordance with the terms of the agreement, as this was mostly offset by the lease liability recognized at Caribou.

Financial Condition and Liquidity

		June 30, 2021	December 31, 2020	Change
Total debt	$	136,664	138,532	–1%
Cash and cash equivalents		27,694	33,500	–17%
Net Debt[1]		108,970	105,032	4%
Working capital		83,287	73,046	14%

The Company's primary sources of liquidity and capital resources are cash, cash flow provided from operations and amounts available under credit agreements. The financial position and liquidity of the Company continued to improve during Q2 2021, coinciding with the zinc and lead prices that have stabilized at the highest level over the last two years and lower 2021 treatment charge benchmark following a challenging year in 2020, largely due to the COVID-19 pandemic which resulted in low zinc and lead prices for the majority of 2020.

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

As at June 30, 2021, the Company was in full compliance with all covenant obligations and had $49.7 million of available liquidity, comprised of cash and cash equivalents of $27.7 million and $22.0 million of available liquidity from the Facility. The Company had working capital of $83.3 million and expects to fund its current liabilities from cash flows generated by operating activities.

When evaluating the Company's current financial position, operating plan, current forecast for key assumptions and hedging transactions that impact 2021, the Company believes that it has sufficient liquidity to meet its minimum obligations and satisfy the covenant requirements related to the Facility and the Glencore Facility for a period of at least 12 months from the balance sheet date.

Revolving Credit Facility

The Company's Facility with a syndicate of lenders was last renegotiated on August 6, 2020 and bears interest at a rate of LIBOR plus between 5.5% and commitment fees for the undrawn portion of the Facility at 1.3%. The Facility matures on September 18, 2022.

As of June 30, 2021, $99.5 million (December 31, 2020: $105.9 million) was drawn under the Facility and the Company has issued letters of credit under the Facility, totaling $7.1 million, $4.6 million in various reclamation bonding requirements and the mining contractor for the Caribou mine and $2.5 million to provide financial security toward power transmission payments related to the Santander mine.

In early May 2021, the Company completed a principal repayment of $6.4 million in accordance with the terms of the agreement requiring minimum repayments based on excess cash generated on a quarterly basis. Following this mandatory repayment, the credit limit under the revolving credit facility will be permanently reduced by the payment amount to $128.6 million. There is no mandatory repayment required related to Q2 2021.

Glencore Facility

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

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

During Q4 2020, the Glencore Facility was reduced by $7.0 million in connection with Glencore's participation in the share unit offer on December 2, 2020, including a resulting repayment of $1.8 million on the facility. The amount available to the Company under the Glencore Facility as of June 30, 2021 was nil as the full $13.0 million limit under the agreement has been drawn.

Other Debt

The settlement receivable facility balance of $12.7 million at December 31, 2020 was settled during Q1 2021 and another $12.5 million was utilized during Q2 2021 and remains outstanding as at June 30, 2021. In addition, the Company has a VAT factoring facility, secured against refund applications for recoverable VAT receivables in Burkina Faso which was utilized during 2020 but has no balance outstanding as of June 30, 2021 with all amounts having been settled in 2020.

Total debt at June 30, 2021 includes leases of $10.2 million (December 31, 2020: $5.1 million).

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

Cash Flows

		YTD Q2'21	YTD Q2'20	YoY	Q2'21	Q1'21	Q2'20	Q2'21 vs Q1'21	Q2'21 vs Q2'20
Operating cash flows before changes in working capital	$	48,982	(27,595)	278%	33,530	15,452	(2,133)	117%	1672%
Changes in working capital		(11,998)	1,243	–1065%	(32,178)	20,180	(9,674)	–259%	–233%
Net cash provided by (used in) operating activities		36,984	(26,352)	240%	1,352	35,632	(11,807)	–96%	111%
Net cash used in investing activities		(28,217)	(27,217)	–4%	(15,168)	(13,049)	(9,229)	–16%	–64%
Net cash (used in) provided by financing activities		(14,305)	49,244	–129%	2,130	(16,435)	21,693	113%	–90%

The increase in cash generated from operating activities before changes in working capital in Q2 2021 compared to the prior quarter is due to the increase in sales volumes (zinc and lead) due to timing and the increase in commodity prices partially offset by higher operating costs. The increase compared to the corresponding quarter of 2020 is primarily due to higher realized zinc prices. Changes in working capital in Q2 2021 from the prior quarter are primarily due to the increase in settlement receivables due to timing of shipments and the increase in zinc price.

As with previous quarters, investing activities in Q2 2021 consisted primarily of capital and exploration expenditures. The amount spent during the quarter increased 16% compared to the prior quarter due to timing and catching up on delays in projects in Q1. Investing activities also increased 64% from the corresponding quarter of 2020 due to the cancellation or deferral of non-critical sustaining and expansionary capital and Caribou being on care and maintenance in 2020. Expansionary capital of $3.6 million incurred during Q2 2021 related to the RP2.0 feasibility study and digitization initiatives, a decrease over the prior quarter in line with project timelines.

Cash provided by financing activities during Q2 2021 consists primarily of the $12.5 million utilization of the settlement receivable facility which was partially offset by the Facility principal repayment of $6.4 million in accordance with the terms of the agreement requiring minimum repayments based on excess cash generated on a quarterly basis compared to the prior quarter where $12.7 million of the settlement receivable facility was settled. Cash provided by financing activities in Q2 2020 primarily relates to a $18.9 million drawdown on the Facility. Other amounts consisting of lease and interest payments remain consistent with prior quarters.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the approximate timing of undiscounted payments of the remaining maturities of the Company's commitments at June 30, 2021:

		2021	2022	2023	2024	2025+	Total
Accounts payable	$	53,769	–	–	–	–	53,769
Facility and loans		2,785	111,139	–	–	–	113,924
Lease commitments		2,933	7,115	71	57	43	10,219
Purchase commitments		34,883	42,834	23,726	11,067	1,532	114,041
Reclamation and rehabilitation		89	438	6,677	14,866	41,864	63,935
	$	94,459	161,526	30,474	25,990	43,439	355,888

The Company enters into commitments for capital expenditures in advance of the expenditures being incurred. Approvals are obtained prior to expenditure being incurred in line with the Company's capital budget.

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

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:

	Q2'21	Q1'21	Q4'20	Q3'20	Q2'20	Q1'20	Q4'19	Q3'19
Revenues	101,105	71,956	68,086	50,157	42,689	51,952	91,466	87,135
Zinc sales (Mlbs payable)	86	73	75	65	72	91	110	111
EBITDA[1]	30,113	15,944	(34,832)	15,368	(4,312)	(174,888)	19,611	12,945
Adjusted EBITDA[1]	32,042	24,491	20,101	11,214	(5,709)	(6,646)	20,364	22,487
Net income (loss)	3,877	(2,510)	(51,742)	1,122	(19,381)	(175,605)	(3,833)	(16,131)
Net income (loss)per share – basic and diluted	0.00	0.00	(0.06)	0.00	(0.02)	(0.22)	0.00	(0.02)
Adjusted income (loss) per share[1]	0.01	0.01	0.00	0.00	(0.03)	(0.01)	0.00	(0.01)

The primary factors causing variation to the quarterly metrics are the commodity price volatility (zinc, lead and silver), the timing of shipments and operational changes. At the end of March 2020, the Caribou mine was placed on a care and maintenance program resulting in the decrease to zinc sales and operating results. Caribou's operations were restarted in March 2021 with full payable zinc production resuming on March 25, 2021. There were non-cash impairments of property, plant and equipment and exploration and evaluation assets recorded in Q1 and Q4 of 2020.

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.

Hedging

The Company has entered into hedging arrangements in respect to a portion of its forecast zinc production. These hedging arrangements consist of a combination of forward swaps, put options and fixed-pricing arrangements which combine to provide stability, predictability and insurance in the current volatile zinc price environment. In accordance with the Company's hedging policy, the hedged amounts represent less than 50% of forecast production. There are no hedges in place related to lead or silver. The following is a summary of the various arrangements:

Impacting Q2 to Q4 2021

- In November 2020, the Company entered into a 9-month fixed-pricing arrangement covering the period from April 2021 to December 2021 for 59.5 million pounds of payable zinc produced at Perkoa and Rosh Pinah at a price of $1.23 per pound; and
- In mid-January, the Company entered into a 21-month fixed-pricing arrangement covering the period from April 2021 to December 2022 for 115 million pounds of payable zinc produced at Caribou, which represents approximately 80% of forecast zinc production from Caribou, at a price of $1.25 per pound.

Impacting Q4 2020 to Q1 2021

- In early October 2020, the Company entered into zinc price forward swaps for 3.75 million pounds of payable zinc per month (approximately 15% of zinc production) for six months from October 1, 2020 to March 31, 2021 at a price of $1.10 per pound;

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

- In addition, zinc price put options at $1.04 per pound for 6.25 million pounds of payable zinc per month at a price of $0.03 per pound (approximately 25% of zinc production across the group) were entered into for the same six-month period, providing downside zinc price protection; and
- In late October 2020, the Company entered into additional zinc price forward swaps for 2.50 million pounds of payable zinc per month (approximately 10% of zinc production) for five months from November 1, 2020 to March 31, 2021 at a price of $1.12 per pound.

The Company remains positive in the longer-term demand outlook for zinc and lead; however, global economic uncertainty and COVID-19 have had both positive and negative effects on commodity supply, and demand, in turn affecting prices. The extent and duration of impacts that COVID-19 may have on demand and zinc and lead prices, the Company's suppliers and employees and global financial markets 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, the Company 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 evaluates 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.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in accordance with IFRS requires significant assumptions and judgments about the future and other sources of estimation uncertainty that management has made at the end of the reporting year, which could result in a material adjustment to the carrying amounts of assets and liabilities within the next twelve months, in the event that actual results differ from assumptions made.

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 2020 annual consolidated financial statements and MD&A.

ACCOUNTING CHANGES

There have been no changes in accounting policy or new standards and interpretations not yet adopted during 2021.

OUTSTANDING SHARE DATA

The Company's authorized capital consists of an unlimited number of common shares without par value, of which 989,356,751 are issued and outstanding as of the date of this MD&A.

In addition, there were 45,613,471 employee stock options outstanding, with exercise prices ranging between C$0.17 and C$1.59 per share and 93,167,000 common share purchase warrants outstanding with an exercise price of C$0.23 each. More information on these instruments, and the terms of their conversion, is set out in Notes 15 and 11, respectively, to the 2020 audited annual consolidated financial statements.

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, 2021, Glencore owned 259,835,925 Trevali common shares representing approximately 26.3% of the total issued and outstanding common shares. In addition, there were 24,500,000 common share purchase warrants outstanding with an exercise price of C$0.23 each and expiry of June 2, 2022, see Note 9 of the 2020 audited annual consolidated financial statements for more information on these instruments.

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.

Glencore is also a lender to the Company, as described above under "Liquidity and Capital Resources – Glencore Facility". 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 Q2'21	YTD Q2'20	YoY	**Q2'21**	Q1'21	Q2'20	Q2'21 vs Q1'21	Q2'21 vs Q2'20
Net revenue on concentrate sales	$	173,061	94,641	83%	101,105	71,956	42,689	41%	137%
Settlement mark-to-market loss (gain)		265	12,472	–98%	348	83	(3,101)	–319%	–111%
Other income[1]		–	3,075	–100%	–	–	775	0%	–100%
Interest expense		367	–	–100%	184	183	–	1%	100%

		June 30, 2021	December 31, 2020
Settlement receivable from Glencore	$	70,067	51,311
Payable to Glencore		–	48
Glencore facility[2]	$	13,001	13,001

1 *Relates to the settlement of the fixed pricing arrangement for the Caribou mine.*
2 *Balance excludes capitalized transaction fees.*

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 and six months ended June 30, 2021.

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, mark-to-market (gain) loss on financial instruments, (gain) loss on foreign exchange, restructuring expenses and other income or expenses.

		YTD Q2'21	Q2'21
Net income	$	1,367	3,877
Current income tax		1,661	1,170
Deferred income tax recovery		2,449	1,571
Interest expense		5,594	2,787
EBIT		11,071	9,405
Depreciation, depletion and amortization		34,985	20,707
EBITDA		46,056	30,112
Settlement mark-to-market loss		265	348
Mark-to-market loss on financial instruments		1,198	456
Other expense (income)		505	(503)
Mine restart expenses		6,338	–
Loss on foreign exchange		2,171	1,629
Adjusted EBITDA	$	56,533	32,042
Net income	$	1,367	3,877
Loss on foreign exchange		2,171	1,629
Mine restart expenses		6,338	–
Other expense (income)		505	(503)
Mark-to-market loss on financial instruments		1,198	456
Settlement mark-to-market loss		265	348
Adjusted net income	$	11,845	5,809
Income per Share	$	0.00	0.00
Adjusted Earnings per Share	$	0.01	0.01
Weighted average number of shares outstanding – basic ('000)		989,151	989,209

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, 2021	December 31, 2020
Revolving Credit Facility, net of fees	$	98,348	104,287
Glencore facility, net of fees		12,791	12,707
Other loans		2,785	3,810
Receivables factoring facility		12,521	12,650
		126,445	133,454
Leases		10,219	5,078
Total debt	$	136,664	138,532
Less: cash and cash equivalents		27,694	33,500
Net debt	$	108,970	105,032

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 2021				
		Perkoa	Rosh Pinah	Santander	Caribou	Total
Mine operating cost	$	21,064	10,478	11,846	13,283	56,671
Smelting and refining		14,688	5,499	3,870	4,271	28,328
Distribution		1,533	1,004	389	299	3,225
Royalties		1,075	1,569	39	–	2,683
Less: By-product revenues		–	(8,449)	(3,757)	(5,329)	(17,535)
C1 total costs		38,360	10,101	12,387	12,524	73,372
Sustaining CAPEX		2,008	5,015	33	2,155	9,211
Lease payments		729	–	–	1,226	1,955
AISC total costs	$	41,097	15,116	12,420	15,905	84,538
Pounds of zinc payable produced	Mlbs	39.9	19.6	12.0	15.7	87.3
C1 Cash Cost	$/lbs	0.96	0.51	1.03	0.80	0.84
AISC	$/lbs	1.03	0.77	1.04	1.01	0.97
		Q2 2020				
		Perkoa	Rosh Pinah	Santander	Caribou	Total
C1 Cash Cost	$/lbs	1.06	0.68	1.02	–	0.93
AISC	$/lbs	1.18	0.82	1.12	–	1.05

		YTD Q2 2021				
		Perkoa	Rosh Pinah	Santander	Caribou	Total
Mine operating cost	$	39,555	20,056	23,401	14,311	97,323
Smelting and refining		26,013	12,262	8,203	4,271	50,749
Distribution		4,898	1,710	951	307	7,866
Royalties		2,262	2,594	77	–	4,933
Less: By-product revenues		–	(8,438)	(7,344)	(5,329)	(21,111)
C1 total costs		72,728	28,184	25,288	13,560	139,760
Sustaining CAPEX		4,218	8,502	775	2,366	15,861
Lease payments		1,423	–	–	1,770	3,193
AISC total costs	$	78,369	36,686	26,063	17,696	158,814
Pounds of zinc payable produced	Mlbs	82.9	35.0	27.2	16.9	162.2
C1 Cash Cost	$/lbs	0.88	0.80	0.93	0.80	0.86
AISC	$/lbs	0.94	1.05	0.96	1.05	0.98
		YTD Q2 2020				
		Perkoa	Rosh Pinah	Santander	Caribou	Total
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

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
	Q2'21	Q2'21
Additions to property, plant and equipment	31,456	12,828
Sustaining capital expenditures	15,861	9,211
Expansionary capital expenditures	7,710	3,596
Right of use assets	7,885	21

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, but not limited to, statements with respect to the Company’s revised financial and operational guidance for fiscal 2021, including the Company's forecasted AISC[1], C1 Cash Cost[1], production and capital expenditures, growth strategies, expected timing of feasibility study completion and release of results, expected timing of decision-making with regards to extending mine life, expected annual savings from capital projects, anticipated supply, demand and market outlook for commodities, future commodity prices, 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 and shipments, 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. 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 the fact that the Company’s cost, expenditure and production guidance may not accurately estimate the Company’s actual costs, expenditures or production at the Company’s projects; 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; results of current and planned exploration activities; 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; 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 “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, Technical Services 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.