



ANNUAL INFORMATION FORM

For the financial year ended December 31, 2017

**Suite 1400 – 1199 West Hastings Street
Vancouver, British Columbia V6E 3T5
Canada**

Dated: March 29, 2018

TABLE OF CONTENTS

| <u>DESCRIPTION</u> | <u>PAGE NO.</u> |
|--|------------------------|
| PRELIMINARY NOTES..... | 2 |
| CORPORATE STRUCTURE | 7 |
| GENERAL DEVELOPMENT OF THE BUSINESS | 9 |
| DESCRIPTION OF THE BUSINESS | 11 |
| MINERAL PROPERTIES | 18 |
| RISK FACTORS | 58 |
| DIVIDENDS..... | 83 |
| DESCRIPTION OF CAPITAL STRUCTURE..... | 83 |
| MARKET FOR SECURITIES..... | 83 |
| DIRECTORS AND OFFICERS..... | 84 |
| LEGAL PROCEEDINGS AND REGULATORY ACTIONS..... | 89 |
| INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS..... | 90 |
| TRANSFER AGENTS AND REGISTRARS..... | 90 |
| MATERIAL CONTRACTS | 91 |
| INTERESTS OF EXPERTS..... | 91 |
| AUDIT COMMITTEE..... | 91 |
| ADDITIONAL INFORMATION..... | 93 |
| EXHIBIT “A” AUDIT COMMITTEE CHARTER..... | A-1 |

**TREVALI MINING CORPORATION
ANNUAL INFORMATION FORM
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2017**

PRELIMINARY NOTES

Effective Date of Information

Throughout this annual information form (the “AIF”), Trevali Mining Corporation is referred to as the “Company” or “Trevali”. Unless otherwise specified, certain information herein is as at December 31, 2017, being the date of the Company’s most recently completed financial year. The information herein has been updated as necessary and is current as of March 29, 2018.

General Mining Industry Information

Information contained in this AIF concerning the mining industry and general expectations concerning the mining industry are based on estimates prepared by the Company using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industries involve risks and uncertainties and are subject to change based on various factors.

Cautionary Note Regarding Forward-Looking Statements

All statements contained in this AIF that are not historical facts are “forward-looking information” within the meaning of the Canadian securities legislation and “forward-looking statements” within the meaning of Section 27A of the *United States Securities Act of 1933*, as amended, Section 21E of the *United States Exchange Act of 1934*, as amended, the *United States Private Securities Litigation Reform Act of 1995*, or in releases made by the United States Securities and Exchange Commission, all as may be amended from time to time, among other things, 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.

In this AIF, forward-looking statements include, but are not limited to, statements with respect to the future price of metals, the estimation of Mineral Reserves and Mineral Resources, the realization of Mineral Reserve estimates, changes in Mineral Resources and conversion of Mineral Resources to Proven and Probable Mineral Reserves, mine plans, the timing and amount of estimated future production, metal grades, achieving projected recovery rates, anticipated production rates and mine life, recovery rates, operating efficiencies, costs and expenditures, including capital and operating costs, costs and timing of the development of new deposits, off-take obligations, targeted cost reductions, exploration and expansion potential, success of exploration activities, permitting and certification timelines, commodity prices, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental matters, closure obligations and unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage, the timing and possible outcome of pending litigation, and other information that is based upon forecasts of future operational or financial results, estimates of amounts not yet determinable, and assumptions of management.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, guidance, or future events or performance (often, but not always, identified by words or phrases such as “expects”, “is expected”, “is expecting”, “budget”, “scheduled”, “forecasts”, “anticipates”, “believes”, “plans”, “projects”, “estimates”, “assumes”, “intends”, “strategy”, “goals”, “objectives”, “potential”, “possible” or variations thereof or stating that certain actions, events, conditions or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements are necessarily based upon a number of factors and assumptions that, if untrue, could cause actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such statements. Assumptions have been made regarding, among other things, present and future business strategies and the environment in which we will operate in the future, including commodity prices, anticipated costs and ability to achieve goals, the Company's ability to carry on its exploration and development activities, the Company's ability to meet its obligations under property agreements, the timing and results of drilling programs, the discovery of Mineral Resources and Mineral Reserves on the Company's mineral properties, the timely receipt of required approvals and permits, including those approvals and permits required for successful project permitting, construction and operation of the Company's projects, the costs of operating and exploration expenditures, the Company's ability to operate in a safe, efficient and effective manner, the Company's ability to obtain financing as and when required and on reasonable terms, the Company's ability to continue operating, dilution and mining recovery assumptions, assumptions regarding stockpiles, the success of mining, processing, exploration and development activities, the accuracy of geological, mining and metallurgical estimates, no significant unanticipated operational or technical difficulties, maintaining good relations with the communities, no significant events or changes relating to regulatory, environmental, health and safety matters, certain tax matters and no significant and continuing adverse changes in general economic conditions or conditions in the financial markets (including commodity prices, foreign exchange rates and inflation rates). Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used.

Forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that may cause our actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to the integration of acquisitions; risks related to joint venture operations; volatility of the price of zinc, lead, silver and other metals; discrepancies between actual and estimated production, Mineral Reserves and Mineral Resources, grade and metallurgical recoveries; failure to replace Mineral Reserves; mining operational and development risks; currency fluctuations; general economic conditions; inflation risks; actual results of current exploration activities; actual results of current reclamation activities; restrictions on operations; liquidity risks; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; risks relating to recently opened mines; delays, suspensions or technical challenges associated with capital projects; risks relating to proceeding to production decision without a technical report; risks relating to reliance on historical data; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays or failure to obtain (or retain) permits or governmental approvals; delays or failure to obtain required financing; delays or failures in the completion of development or construction activities; taxation risks; title risks; opposition from community or indigenous groups; compliance with laws, including environmental laws; exchange controls; higher prices for fuel, steel, power, labour and other consumables; political or economic instability and unexpected regulatory changes; as well as those factors discussed in the section entitled "Risk Factors" in this AIF.

Although the Company has attempted to identify important factors that could affect the Company and may 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. Forward-looking information contained herein is made as of the date of this AIF based upon the opinions and estimates of management on the date statements containing such forward-looking information are made, and the Company disclaims any obligation to update any forward-looking statements or forward-looking information, whether as a result of new information, estimates or opinions, future events or results or otherwise or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law. There can be 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. Accordingly, readers should not place undue reliance on forward-looking statements.

Currency and Currency Exchange Rate Information

Unless otherwise indicated, all references in this AIF to "**dollars**", "**US\$**", or to "**\$**" are to United States of America dollars and all references to "**C\$**" denotes Canadian dollars.

The following table sets forth the high and low exchange rates for one US dollar expressed in Canadian dollars for each period indicated, the average of the exchange rates for each period indicated and the exchange rate at the end of each such period, based upon the daily exchange rates provided by the Bank of Canada:

| United States Dollars into Canadian Dollars | | | |
|--|-------------|-------------|-------------|
| | 2017 | 2016 | 2015 |
| High | \$1.3743 | \$1.4589 | \$1.3990 |
| Low | \$1.2128 | \$1.2544 | \$1.1728 |
| Rate at end of period | \$1.2986 | \$1.3427 | \$1.3840 |
| Average rate for period | \$1.2545 | \$1.3248 | \$1.2787 |

On March 29, 2018, the exchange rate for one US dollar expressed in Canadian dollars based upon the noon rates provided by the Bank of Canada was C\$1.2894.

Scientific and Technical Information

Unless otherwise indicated, all mineral resource and mineral reserve estimates included in this AIF have been prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”), and the Canadian Institute of Mining, Metallurgy and Petroleum (the “**CIM**”) – *CIM Definition Standards on Mineral Resources and Mineral Reserves*, adopted by the CIM Council, as amended (the “**CIM Standards**”). NI 43-101 are rules and codes of practice developed by the Canadian Securities Administrators that established minimum standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. The terms “mineral reserve”, “proven mineral reserve” and “probable mineral reserve” are Canadian mining terms as defined in accordance with NI 43-101 and the CIM Standards. These definitions differ materially from the definitions in SEC Industry Guide 7 (“**SEC Industry Guide 7**”) under the United States *Securities Exchange Act of 1934*, as amended. Under U.S. Securities and Exchange Commission (the “**SEC**”) Industry Guide 7 standards, a “final” or “bankable” feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority. In addition, the terms “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are defined in and required to be disclosed by NI 43-101 and the CIM Standards; however, these terms are not defined terms under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into reserves. “Inferred mineral resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in very limited circumstances. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of “contained metal” in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in place tonnage and grade without reference to unit measures. Mineral resources may be affected by further infill and exploration drilling that may result in increases or decreases in subsequent resource estimates. Mineral resources may also be affected by subsequent assessments of mining, environmental, processing, permitting, taxation, socio-economic, and other factors. Actual recoveries of mineral products may differ from reported mineral reserve and mineral resource estimates due to inherent uncertainties in acceptable estimating techniques. In particular, inferred mineral resources have a great amount of uncertainty as to their existence, economic, and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category of mineral resource. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Investors are cautioned not to assume that all or any part of the mineral deposits in these categories will ever be converted into proven and probable mineral reserves.

Except where indicated, the disclosure contained in this AIF of a scientific or technical nature has been summarized or extracted from the NI 43-101 compliant technical reports referenced under the respective sections describing each of the Company’s material mineral properties (collectively, the “**Technical Reports**”). See “*Mineral Properties*”. Readers should consult these reports to obtain further particulars regarding the Company’s material mineral properties. Readers are cautioned that the summary of technical information in this AIF should be read in the context

of the qualifying statements, procedures and accompanying discussion within the complete technical reports and the summary provided herein is qualified in its entirety by such technical reports. Capitalized and abbreviated mining terms appearing in the summaries under “*Mineral Properties*” and not otherwise defined herein shall have the meanings ascribed to such terms in the respective Technical Reports.

Information of a scientific or technical nature in this AIF arising since the date of the respective Technical Reports has been prepared under the supervision of Dr. Mark D. Cruise, EurGeol, Trevali’s President and Chief Executive Officer, Paul Keller, P.Eng., Trevali’s Senior Vice President – Major Projects & Technical Support, and Daniel Marinov, P.Geo., Trevali’s Vice President – Exploration, each of whom is not independent and is a “qualified person” under NI 43-101.

Non-IFRS Measures

The Company has included certain non-IFRS financial measures to supplement its consolidated financial statements, which are presented in accordance with IFRS and are reconciled to the most directly comparable IFRS measures in the corresponding management’s discussion and analysis, including the following:

- Site cash operating cost per pound of payable zinc equivalent produced;
- Site cash operating cost per tonne milled; and
- Total cash operating cost.

Such non-IFRS financial measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. Management uses these measures internally to evaluate the underlying operating performance of the Company for the reporting periods presented. The use of these measures enables management to assess performance trends and to evaluate the results of the underlying business of the Company. Management understands that a number of investors, and others who follow the Company’s performance, also assess performance in this way. Management believes that these measures reflect the Company’s performance and are better indications of its 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.

Site Cash Operating Cost per Pound of Payable Zinc Equivalent Produced

“Site cash operating costs” includes mine site operating costs such as mining, processing, administration, and indirect charges such as surface maintenance and camp expenses, and inventory sales adjustments, but does not include royalties, smelting, refining and freight costs, depreciation, depletion, amortization, reclamation, and capital and exploration costs. “Site cash operating costs per zinc-equivalent payable pound of produced” is calculated by dividing “site cash operating costs” by the number of zinc equivalent pounds (ZnEq) of zinc produced during the period. The ZnEq is calculated as follows:

$$\text{ZnEq Payable Pounds Produced} = ((\text{Zinc Payable lbs Produced} * \text{Zinc Price}) + (\text{Lead Payable lbs Produced} * \text{Lead Price}) + (\text{Silver ounces Payable Produced} * \text{Silver Price})) / \text{Zinc Price}$$

The metal prices used are the averaged realized metal prices for the reporting period.

“Site cash operating costs” and “site cash operating cost per pound of payable zinc equivalent payable produced” are non-IFRS performance measures typically used by mining companies to provide an indication of the mining and processing efficiency and effectiveness of a mine. These measures are intended to provide additional information only and do not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other mining companies. These measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures are not necessarily indicative of cash flow from operations under IFRS or operating costs presented under IFRS.

Total Cash Cost per Pound Zinc Equivalent Produced

“Total cash costs” includes mine site operating costs (as calculated above) plus applicable royalties; smelting, refining and freight costs, capital sustaining costs, and inventory sales adjustments, but does not include depreciation, depletion, amortization, reclamation, and exploration costs. “Total cash cost per zinc-equivalent payable pound produced” is calculated by dividing total cash costs by number of zinc-equivalent pounds of zinc produced during the period.

“Total cash cost” and “total cash cost per pound zinc equivalent produced” are non-IFRS performance measures typically used by mining companies to assess the level of gross margin available to the Company by subtracting these costs from the unit price realized during the period. These non-IFRS terms are also used to assess the ability of a mining company to generate cash flow from operations. These measures are intended to provide additional information only and do not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other mining companies. These measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures are not necessarily indicative of cash flow from operations under IFRS or operating costs presented under IFRS.

Site Cash Operating Cost per Tonne Milled

“Site cash operating costs” includes mine site operating costs such as mining, processing, administration, and indirect charges such as surface maintenance and camp expenses and inventory sales adjustments, but are exclusive of royalties, smelting, refining and freight costs, depreciation, depletion, amortization, reclamation, and capital and exploration costs. “Site cash operating cost per tonne milled” is calculated by dividing “site cash operating costs” by the tonnes of material milled during the period.

“Site cash operating costs” and “site cash operating cost per tonne milled” are non-IFRS performance measures typically used by mining companies to provide an indication of the mining and processing efficiency and effectiveness of a mine. These measures are intended to provide additional information only and do not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other mining companies. These measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures are not necessarily indicative of cash flow from operations under IFRS or operating costs presented under IFRS.

CORPORATE STRUCTURE

Name and Incorporation

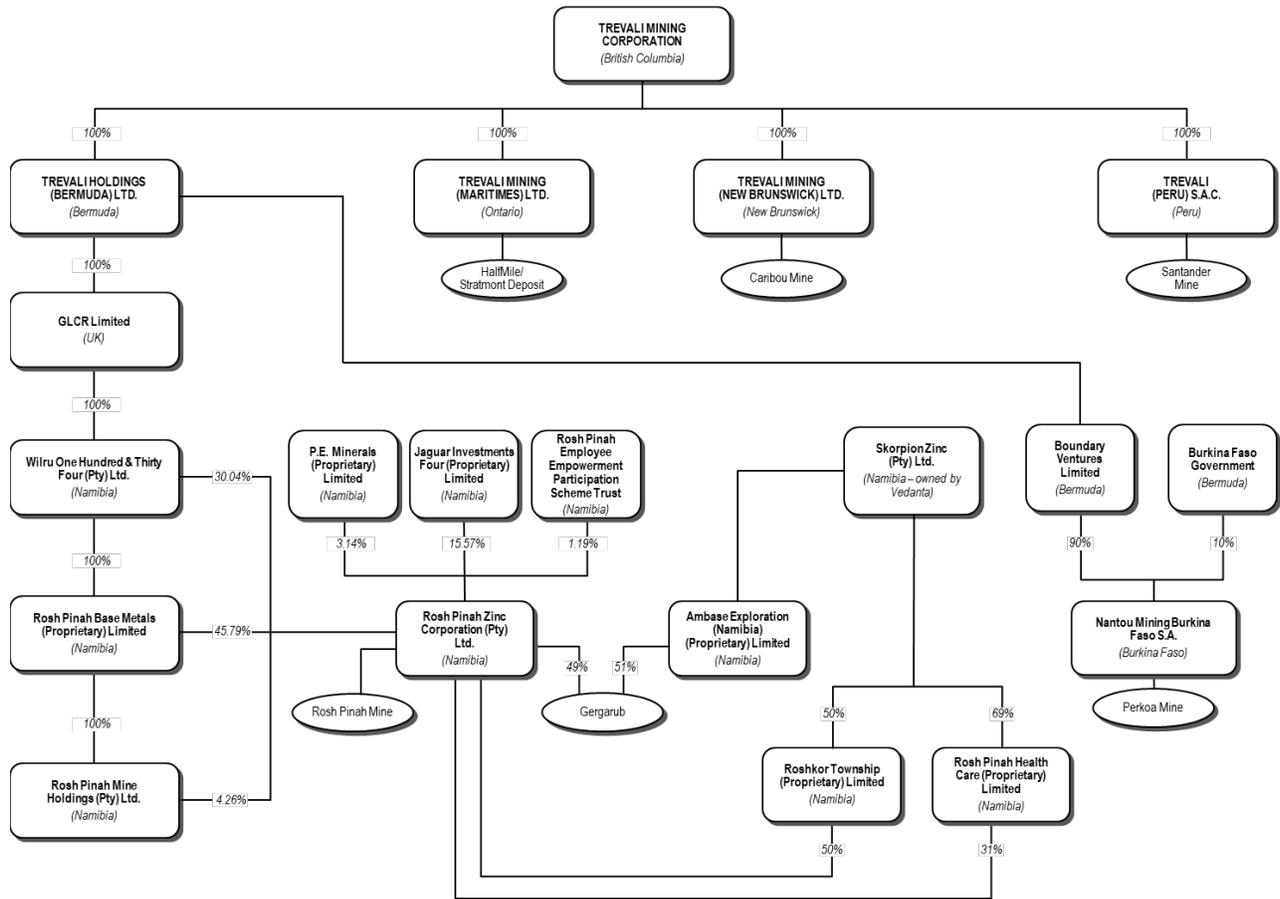
The name of the Company is Trevali Mining Corporation. The Company's head office is located at 1199 West Hastings Street, Suite 1400, Vancouver, British Columbia V6E 3T5, Canada. The Company's registered office is located at 885 West Georgia Street, Suite 2200, Vancouver, British Columbia V6C 3E8.

The Company was incorporated under the *Business Corporations Act* (British Columbia) on June 16, 1964 as "Christina Resources Corp." On December 18, 1985, the Company changed its name to "Airborne Data Marketing Ltd." On December 3, 1986, the Company changed its name to "International Airborne Systems Company". On September 22, 1992, the Company changed its name to "AVNAV Technologies Inc." On December 31, 1993, the Company amalgamated with GWS Enterprises Inc. to form "Gateway Waste Systems Inc." On November 1, 1995, the Company changed its name to "Gateway Technologies Company". On July 6, 2006, the Company changed its name to "Trevali Resources Corp." and consolidated its share capital on a 2 for 1 basis. On April 7, 2011, the Company completed a plan of arrangement with Kria Resources Ltd. and changed its name to "Trevali Mining Corporation".

Intercorporate Relationships

In this AIF, unless the context otherwise requires, the terms "we", "us", "our", and similar terms as well as references to "Trevali" or the "Company" means Trevali Mining Corporation, together with its subsidiaries. The following diagram sets forth the Company's intercorporate relationships with its active subsidiaries, including the jurisdiction of incorporation or organization and the Company's direct and indirect voting interest in each of these subsidiaries as at March 29, 2018.

Trevali Mining Corporation Corporate Structure



GENERAL DEVELOPMENT OF THE BUSINESS

Trevali is a Canadian-based multi-national mining company whose principal business is the acquisition, exploration, development and exploitation of polymetallic properties that are predominantly zinc, but often contain economic byproduct concentrations of lead, silver, copper, and/or gold. The Company's mining operations include the Santander mine in Perú (the "**Santander Mine**"), the Caribou mine in Canada (the "**Caribou Mine**"), the Rosh Pinah mine in Namibia (the "**Rosh Pinah Mine**"), and the Perkoa mine in Burkina Faso (the "**Perkoa Mine**"). Trevali also owns the development-stage Halfmile and Stratmat Properties in Canada ("**Halfmile-Stratmat**"), for which it completed a preliminary economic assessment ("**PEA**") study in October 2017. The Company also has a portfolio of other polymetallic exploration projects and interests at various stages of development.

Trevali is a reporting issuer in all of the provinces of Canada and its common shares (the "**Common Shares**") are listed on the Toronto Stock Exchange (the "**TSX**") under the symbol "TV", the Bolsa da Valores de Lima in Perú under the symbol "TV", and the Frankfurt Stock Exchange under the symbol "4TI". The Common Shares also trade on the OTCQX in the United States under the symbol "TREVVF".

Three-Year History

The following describes how the Company's business has developed over the last three completed financial years.

2015 Developments

Operational

On May 19, 2015, the Company announced that it had commenced mill commissioning at the Caribou Mine following the successful initiation of underground mining.

Financings

On June 11, 2015, the Company completed a C\$30.6 million bought deal equity financing. The net proceeds from the financing were used to accelerate the ramp-up process and expedite optimization initiatives during commissioning at the Caribou Mine, as well as for working capital and general corporate purposes.

On February 27, 2015, October 31, 2015, November 2, 2015, and November 6, 2015, the Company completed non-brokered equity financings for aggregate gross proceeds of C\$5.9 million on a "flow-through" basis under the *Income Tax Act* (Canada). The proceeds from these financings were spent on qualifying Canadian exploration expenditures at the Company's exploration properties in New Brunswick, Canada.

2016 Developments

Operational

On July 7, 2016, the Company announced that the Caribou Mine had achieved commercial production effective July 1, 2016.

Financings

On March 16, 2016, the Company completed a C\$14.95 million marketed equity financing. The net proceeds from the financing were used for ongoing commissioning and ramp-up expenditures at the Caribou Mine, as well as for working capital and general corporate purposes.

On February 29, 2016, April 26, 2016, and November 4, 2016, the Company completed non-brokered equity financings for aggregate gross proceeds of C\$6.5 million on a "flow-through" basis under the *Income Tax Act* (Canada). The proceeds from these financings were spent on qualifying Canadian exploration expenditures at the Company's exploration properties in New Brunswick, Canada.

2017 Developments

Operational

On February 1, 2017, the Company announced that the planned transition at the Caribou Mine to an owner-operated model would include the procurement of a new underground mining fleet and that it had committed to an investment of approximately C\$20 million for the supply and maintenance of a fleet of mining equipment during the first half of 2017. Delivery of the fleet commenced during the second quarter of 2017.

On March 31, 2017, the Company reported updated mineral resources and mineral reserves for the Santander Mine in Perú effective March 31, 2017.

On July 27, 2017, the Company announced that it received the Mining Lease for the former Restigouche zinc-lead-silver mine located approximately 20-km west-southwest of the Caribou Mine in the Bathurst Mining Camp of New Brunswick.

Acquisitions and Related Equity and Debt Financings

On March 13, 2017, the Company entered into definitive agreements with Glencore PLC (“**Glencore**”) and certain of its subsidiaries to acquire a portfolio of zinc assets from Glencore (collectively, the “**Glencore Assets**”), including an 80% interest in the Rosh Pinah Mine in Namibia, a 90% interest in the Perkoa Mine in Burkina Faso, an effective 39% interest in the Gergarub project in Namibia, an option to acquire 100% interest in the Heath Steele property in Canada and certain related exploration properties (the “**Glencore Acquisitions**”).

On April 2, 2017, the Company completed a bought deal private placement of subscription receipts (the “**Subscription Receipt Financing**”) for gross proceeds of C\$264.55 million. Each subscription receipt represented the right to exchange, without payment of additional consideration or further action, one Common Share upon closing of the Glencore Acquisitions and upon the satisfaction or waiver of the escrow release conditions. All of the subscription receipts were exchanged for Common Shares on August 31, 2017.

On August 31, 2017, the Company completed the Glencore Acquisitions (with an effective date of April 1, 2017) for an aggregate purchase price of \$417.86 million which was comprised of \$245.21 million in cash (the “**Cash Consideration**”) and an aggregate of 193,432,310 Common Shares with an estimated fair value of C\$243.73 million (the “**Share Consideration**”). As a result of the Glencore Acquisitions, Glencore currently owns approximately 26% of the issued and outstanding Common Shares.

The Cash Consideration was funded through a combination of: (i) net proceeds from the Subscription Receipt Financing, and (ii) advances under a \$160-million senior secured term loan (the “**Term Facility**”) and a \$30-million senior secured revolving working capital loan (the “**Revolving Facility**”) and, together with the Term Facility, the “**Facility**”). The Facility bears interest on a sliding scale: (i) at a rate of LIBOR plus between 3.00% to 4.00% or (ii) at a base rate plus between 2.00% to 3.00% and includes standard and customary finance terms and conditions including with respect to fees, representations, warranties, covenants and conditions precedent to additional draws under the Revolving Facility. In addition to funding a portion of the Cash Consideration, a portion of the Term Facility was used to refinance debt obligations of Trevali’s wholly-owned subsidiary, Trevali Peru S.A., owing to Glencore and its affiliates.

As part of the Glencore Acquisitions, subject to certain conditions set out in an investor rights and governance agreement (the “**Investor Rights Agreement**”), Glencore was granted certain board nomination rights, the right to participate in any future equity offerings by the Company in order to maintain its *pro rata* ownership in Trevali and consent rights on any future material asset sales. Pursuant to the Investor Rights Agreement, Glencore agreed to a 36-month standstill (the “**Standstill**”) and to hold the Share Consideration for a period of at least 24 months following the closing of the Glencore Acquisitions. The Standstill prohibits Glencore from taking certain specified actions without Trevali’s approval, including, among other things, launching a takeover bid or increasing its ownership in Trevali. The definitive agreements entered into in connection with the Glencore Acquisitions provide that the board of directors of the Company (the “**Board**”) may, under certain circumstances, terminate the

agreements in favour of an unsolicited superior proposal, subject to the payment by Trevali of a termination payment of \$9 million.

Effective October 11, 2017, each of Ms. Jessica L. McDonald and Messrs. Russell Ball and Dan Isserow were appointed to the Board following the voluntary resignations of Ms. Catherine Gignac and Messrs. David Huberman and David Korbin. In addition, following the changes to the Board, Mr. Mike Hoffman was appointed Chair of the Board, succeeding Mr. David Huberman.

On November 28, 2017, the Company announced new senior executive appointments and modifications to its corporate team as part of the Company's ongoing optimization and asset integration process following the Glencore Acquisitions. Paul Keller, who had served as Trevali's Chief Operating Officer since 2011, transitioned to the role of Senior Vice President – Major Projects & Technical Support and will continue to spearhead optimization and expansion initiatives at the Company's operations. Bryant Schwengler was appointed Chief Operating Officer following his role as General Manager at the Caribou Mine. Additionally, Trevali welcomed Gerbrand Van Heerden as Senior Vice President Business Initiative / Development. Mr. Van Heerden was previously the Chief Financial Officer at the Rosh Pinah Mine.

DESCRIPTION OF THE BUSINESS

Selected Disclosure Regarding the Company and its Business in Perú

In addition to information set out elsewhere in this AIF, the disclosure under this heading "Selected Disclosure Regarding the Company and its Business in Perú" provides investors selected summary information about the Company and its business in Perú, including Trevali's understanding of the Republic of Perú ("Perú") and applicable laws of Perú currently in force. The Company currently operates one mine in Perú, the Santander Mine.

The Republic of Perú

Perú is a country located in western South America and has a land area of approximately 1.3 million square kilometres. It is bordered in the north by Ecuador and Colombia, in the east by Brazil, in the southeast by Bolivia, in the south by Chile, and in the west by the Pacific Ocean. Perú has a population of approximately 32.5 million people. The city of Lima is the capital with a population of approximately 12 million people.

Services account for more than half of Peruvian gross domestic product, followed by manufacturing and mining. Peru's main exports are copper, gold, zinc, textiles, and fishmeal. Its major trade partners are the United States, China, Brazil, and Chile. Since 2006, Perú has signed trade deals with the United States, Canada, Singapore, China, Korea, and Japan, in addition to concluding negotiations with the European Free Trade Association (EFTA) and Chile.

Government Organization

Perú has a stable multi-party constitutional republic form of government and there have been continuous democratic elections since 1980. Under the current Political Constitution of 1993, the President is the head of state and government for five years and cannot serve consecutive terms, but allows for unlimited non-consecutive terms. The President designates the Prime Minister and the rest of the Council of Ministers. The last presidential runoff election was held on April 10, 2016, and newly elected President Pedro Pablo Kuczynski formally assumed office on July 28, 2016. President Kuczynski is a former Peruvian minister of mines, a pro-trade economist with strong connections to the extractive industries, and ran on an election platform of fostering growth in the mining sector, but with consideration for social and environmental issues. President Kuczynski tendered his resignation on March 21, 2018 as a result of investigations into the country's construction industry. The former Vice President, Mr. Martin Vizcarra, was sworn in as the President of Perú on March 23, 2018.

Congress is unicameral with 130 members elected for five-year terms. Either the executive or the legislative branch may propose bills, which become law after being passed by Congress and promulgated by the President. Judges are appointed by the National Council of the Judiciary.

Currency

The official monetary unit of Perú is the Nuevo Sol (PEN). Perú has a free-floating exchange rate and there are no restrictions or limitations on holding bank accounts in foreign currency or to remit funds abroad.

Mining Industry

Mining has been the dominant sector of the Peruvian economy over the past 20 years due to its abundance of natural resources and an attractive legal and tax regime designed to support the industry. As a result of significant foreign investment, Perú has become a global leader in the mining industry and is one of the world's most significant producers of base metals (copper and zinc) and precious metals (gold and silver), which accounts for more than half of the country's exports by dollar value.

Mineral Rights and Laws

The General Mining Law of Perú is the primary body of law pertaining to environmental regulation of exploration and mining activities. The General Mining Law is administered by the Ministry of Energy, Mines and Natural Gas ("MEM"). The mining concessions framework, which has been in place since 1992, establishes that mining titles are irrevocable and perpetual for as long as the titleholder maintains payment of the *derecho vigencia* (validity rights) fees up to date to MEM.

A titleholder must pay a *vigencia* (annual maintenance fee) of US\$3.00 per hectare for each concession held or a pending application (*petitorio*). Fees are payable at the time of acquisition and by June 30th of each successive year to maintain the concession in good standing.

Mineral concessions granted on or before October 10, 2006, are subject to compliance with one of the following alternative obligations: The concession holder must sustain a minimum level of annual commercial production of greater than US\$100 per hectare in gross sales before the end of the sixth year of the grant of concession; or if the concession has not been put into production within that period (by the first semester of the seventh year), the annual rental increases to US\$9.00 per hectare until the minimum production level has been met. If by the start of the 12th year, the minimum production level has still not been achieved, then the annual rental increases to US\$23.00 per hectare thereafter. The concession holder may obtain clearance from paying the penalty if it can be demonstrated that during the previous year the holder "invested" an equivalent of no less than 10 times the penalty for the total concession. This investment must be documented along with the copy of the *declaracion jurada de impuesto a la renta* (annual tax statement) and the payment of the annual *derecho vigencia* fees. The concession will terminate if the annual rent is not paid for three years in total or for two consecutive years. The term of a concession is indefinite provided it is properly maintained by payment of the rental fees.

Selected Disclosure Regarding the Company and its Business in Namibia

In addition to information set out elsewhere in this AIF, the disclosure under this heading "Selected Disclosure Regarding the Company and its Business in Namibia" provides investors selected summary information about the Company and its business in Namibia, including Trevali's understanding of the Republic of Namibia ("Namibia") and applicable laws of Namibia currently in force. The Company currently operates one mine in Namibia, the Rosh Pinah Mine.

The Republic of Namibia

Namibia is a sub-Saharan country located in southwest Africa and has a land area of 825,615 square kilometres. It is bordered by Angola and Zambia to the north, South Africa and Botswana to the east, and the Atlantic Ocean coast to the west. Namibia has a population of approximately 2.6 million people. The city of Windhoek is the capital with a population of approximately 325,000 people. The large, arid Namib Desert has resulted in Namibia being one of the least densely populated countries in the world.

The largest economic sectors are mining (diamonds, uranium, gold, silver, and base metals), agriculture, herding, manufacturing, and tourism. Namibia's economy is tied closely to South Africa's due to their shared history.

Government Organization

Namibia gained its independence from South Africa in 1990 and has a stable multi-party parliamentary democracy form of government. The Executive branch consists of an elected President with a five-year term (maximum of two terms) who is both the head of state and the head of the government. The President appoints the Prime Minister and the Cabinet. At the time of this AIF, the current President is Mr. Hage Geingob who was elected in 2014. The next election is to be held in November 2019.

The legislative branch consists of a National Assembly of 104 members and the National Council of 42 members. In the National Assembly, 96 members are elected in multi-seat constituencies by proportional representation vote for five-year terms and eight non-voting members are appointed by the President. The National Council primarily reviews legislation passed and referred by the National Assembly, who members are indirectly elected by the 14 regional councils to serve five-year terms.

Currency

The official monetary unit of Namibia is the Namibian dollar (NAD or N\$), which is currently fixed at the rate of 1 NAD per South African rand. Namibia is part of the South African Rand Common Monetary Area (“CMA”). Exchange controls in the CMA require that dividends, loans, repayment of loans and payment of all invoices to parties outside the CMA by companies registered in the CMA require prior approval by the Bank of Namibia. The Company has never experienced any issues as a result of these exchange controls, however, there can be no assurance that the Company will obtain the requisite approvals in the future to repay loans or pay invoices to parties outside the CMA, including the Company’s related subsidiaries that are not residents of the CMA. Exchange controls may restrict the Company from repatriating funds and using those funds for other purposes.

Mining Industry

Mining contributes to approximately 25% of Namibia’s income and is the largest contributor to the economy. Namibia has various natural resources being exploited, including diamonds, uranium, copper, gold, lead, tin, lithium, cadmium, zinc, salt, and vanadium. Five major companies account for 95% of the mining income, with diamond and uranium mining being the two most vital industries in Namibia. Namibia has two significant uranium mines, which together provide for roughly 5% of the world's uranium oxide mining output.

Mineral Rights

In Namibia, all mineral rights to the property are vested in the State. The minerals industry in Namibia is administered by the Minister of the Namibian Ministry of Mines and Energy (MME), assisted by the Mining Commissioner and the Minerals Board of Namibia. Mining in Namibia is mainly regulated by the Minerals (Prospecting and Mining) Act 33 of 1992 as amended in 2008 (the “**Namibia Minerals Act**”). The mining act provides for six types of authorizations and permits:

1. A Non-Exclusive Prospecting Licence (NEPL) exploration authorization valid for six months that is non-renewable;
2. A small scale Mining Claims (MC) authorization that it only available to Namibian citizens for artisanal mining and is valid for three years renewable indefinitely for two years each time;
3. A Reconnaissance Licence (RL) authorization designed for regional exploration, mainly remotely sensing, exploration that is valid for six months that is non-renewable;
4. An Exclusive Prospecting License (EPL) exploration authorization valid for three years that may be renewed twice for two-year periods,
5. A Mineral Deposit Retention License (MDRL) authorization that allows an exploration company in certain circumstances to retain tenure on a prospecting licence, mining licence or mining claim without mining obligations that is valid for five years, with two-year renewal periods; and
6. A Mining License (ML) exploitation permit valid for 25 years or the life of mine, with renewal valid for five-year periods.

There are also a number of other applications and permits that govern the transfers and joint ventures of licenses, export permits, and other matters.

The Namibia Minerals Act levies a royalty of 3% on the net sales of zinc production. A value added tax (VAT) of 15% applies to domestic goods and services and 16.5% to imported goods and services. A refund on the 15% VAT on domestic goods and services is available. The Income Tax Amendment Act (2015), which, under section 35B, inserted into the Income Tax Act, 1981, has introduced a 10% withholding tax on interest payable to non-resident lenders.

Selected Disclosure Regarding the Company and its Business in Burkina Faso

In addition to information set out elsewhere in this AIF, the disclosure under this heading “Selected Disclosure Regarding the Company and its Business in Burkina Faso” provides investors selected summary information about the Company and its business in Burkina Faso, including Trevali’s understanding of the Republic of Burkina Faso (“**Burkina Faso**”) and applicable laws of Burkina Faso currently in force. The Company currently operates one mine in Burkina Faso, the Perkoa Mine.

The Republic of Burkina Faso

Burkina Faso is a sub-Saharan country located in West Africa and has a land area of 274,200 square kilometres. It is a land-locked country and is bordered by six countries: Mali to the north, Niger to the east, Benin to the southeast, Togo and Ghana to the south, and Ivory Coast to the southwest. Burkina Faso has a population of approximately 19.5 million people. The city of Ouagadougou is the capital with a population of approximately 1.5 million people.

Approximately 80% of the labour force is engaged in crop and livestock farming and fishing. Industrial activity has traditionally been concentrated on processing farm commodities, primarily cotton, which accounts for approximately one-third of the country’s gross domestic product. In recent years, gold mining has become another important source of economic activity in Burkina Faso.

Government Organization

Burkina Faso’s political history, like that of most West African countries, has swung between civil and military governments since it gained its independence from France in 1960. In October 2014, there was a civil uprising to remove longtime president Blaise Compaoré and a brief and ultimately unsuccessful military coup in September 2015 that was loyal to Compaoré. In November 2015, voters in Burkina Faso democratically elected Mr. Roch Marc Christian Kabore president, replacing the transitional civilian government that had been installed following the events of 2014. The next election is scheduled to be held in November 2020.

Burkina Faso has a republic form of government and the executive branch consists of an elected President with a five-year term (maximum of two terms) who is both the head of state and the head of the government. The President appoints the Prime Minister with consent of the National Assembly. The President appoints the Council of Ministers upon recommendation from the Prime Minister. The legislative branch consists of a National Assembly of 127 members who are elected for five-year terms in multi-seat constituencies by proportional representation.

At the regional level, Burkina Faso is a member of the West African Monetary and Economic Union (WAEMU) whose currency is the West African CFA Franc and a member of the Economic Community of West African States (ECOWAS). Burkina Faso also adheres to the Treaty on the Harmonization of Business Law in Africa (OHADA).

Burkina Faso’s legal system is based on the French civil law system and customary law.

Currency

The official monetary unit of Burkina Faso is the West African CFA franc, which is currently fixed at the rate of 655.957 CFA francs per euro. There are no restrictions on the convertibility or transfer of funds.

Mining Industry

In 2003, Burkina Faso significantly reformed its mining legislation to attract foreign investment, which resulted in a mining boom. Mining, particularly gold mining, now plays an important role in the economy of Burkina Faso with several major international companies taking part in exploration and mining activities. As the fourth largest gold producer in Africa, Burkina Faso has seven major gold mines although there have been several new gold discoveries in recent times that are likely to prompt future development. Some of the major companies exploring, developing or mining gold in Burkina Faso include Randgold Resources Ltd., IAMGOLD Corporation, SEMAFO Inc., Orezone Gold Corporation, Cluff Gold plc, Endeavour Mining Corp., Teranga Gold Corporation, and Roxgold Inc. The Company's Perkoa Mine is the only zinc mine in Burkina Faso.

Mineral Rights

In Burkina Faso, the State owns the title to all mineral rights. Mining in Burkina Faso is mainly regulated by Burkina Faso's Law No. 31-2003/AN, dated May 8, 2003 Mining Code (the "2003 Burkina Faso Mining Code"), which was amended by decrees in 2005, 2008, 2010, and 2015. The version of the mining code applicable to Nantou Mining's Perkoa operations is the 2003 Burkina Faso Mining Code.

The 2003 Burkina Faso Mining Code provides that prior to the issuance of mineral rights a mining convention must be signed by the State of Burkina Faso and the future holder of the mineral right. The mining convention between Nantou Mining and the Government of Burkina Faso, which was signed by the Minister of Mines of Burkina Faso on August 27, 2008 (the "**Perkoa Mining Convention**"), sets out the fiscal and legal terms with respect to the operation of the Perkoa Exploitation Permit, including taxation rates applicable to the project, per the 2003 Burkina Faso Mining Code. The Perkoa Mining Convention is valid for 20 years commencing on the date of the grant and may be renewed for subsequent periods of five years.

The Perkoa Mining Convention provides for the minimum exploration expenses to be incurred and the size of the interest of the State in the project if the property is brought into production, which is typically a 10% free carried interest that must be maintained when there is an increase in the capital of the exploitation company. The government also collects various taxes and duties on the imports of fuels, supplies, equipment, and outside services. In addition, there is a 3% NSR royalty payable to the government on all base metal production in Burkina Faso. In the case of Nantou Mining, the Burkina Faso Government has a 10% free carried equity interest in Nantou Mining in accordance with the 2003 Burkina Faso Mining Code, with Trevali controlling the remaining 90%. The Perkoa Exploitation Permit, held by Nantou Mining, was granted on March 20, 2007 and formally grants Nantou Mining the rights to develop and operate the Perkoa Mine. It is scheduled to expire on March 20, 2027, but is eligible for renewal.

The Perkoa Exploitation Permit is surrounded by the Perkoa Exploration Permits (as defined herein), which are held by Nantou Exploration (as defined herein), which is indirectly owned 100% by Trevali. The 2003 Burkina Faso Mining Law gives the exploration permit holder the exclusive right to explore for the minerals requested on the surface and subsurface within the boundaries of the exploration permit. The third renewal application for the Perkoa Exploration Permits has been approved and exploration expenditures will be required in order to maintain the permits in good standing. Should an exploitation permit for any portion of the Perkoa Exploration Permits be granted, the State will receive a 10% equity interest in the new exploitation company in accordance with the 2003 Burkina Faso Mining Code, and the Company will be required to enter into a new mining convention for the new mine.

Other Selected Disclosure Regarding the Company and its Business

Legal Rights in Foreign Jurisdictions

The Company has satisfied itself as to the Company's (or its subsidiaries') ownership and retention of its property interests by engaging local counsel to provide advice to it regarding the acquisition, ownership, and retention of its permits, property interests, and rights in respect of its material mineral properties and by direct communications with local government officials. The Company works with its legal counsel on an ongoing basis to ensure that all related

matters are attended to on a timely basis. In addition, the Company has obtained legal opinions with respect to its material properties in connection with financing and other transactions in 2017.

The Company also relies on input and recommendations by qualified persons, who have completed reviews of the Santander Mine in Perú, the Perkoa Mine in Burkina Faso, and the Rosh Pinah Mine in Namibia, and through consultants who are engaged by the Company in connection with the Company's permitting, licensing, and regulatory approval application process, to confirm it has all material permits, business licenses, and other regulatory approvals needed to carry on business in jurisdictions of its material mineral properties. The Company also consults regularly with legal advisors in Perú, Burkina Faso, and Namibia, including to confirm that all applicable permitting requirements for its operations have been obtained and, from time to time, retains local legal advisors to provide updated title opinions, as appropriate.

Foreign Corporate Structure

The Company's registered office is in Canada and its business in Perú, Burkina Faso, and Namibia is carried on through wholly-owned or majority-owned directly and indirectly held subsidiaries in Perú, Namibia, England and Wales, and Bermuda. Each of these subsidiaries maintains local offices, where corporate minute books and other books and records are maintained. The Board has effective control over all of its subsidiaries in and their respective material assets, including bank accounts, through its controlling ownership of these entities, with the exception of the Gergarub Project in Namibia, where the joint-venture partner has the controlling interest. In addition, as the sole controlling shareholder, the Company has the ability to appoint, direct, supervise, and remove all officers and directors of its subsidiaries with the exception of Rosh Pinah Zinc Corporation ("RPZC") and Nantou Mining Burkina Faso SA ("Nantou Mining"). With respect to RPZC, Trevali has four directors appointed and the joint venture partners have three directors appointed. With respect to Nantou Mining, Trevali has three appointed directors and the State of Burkina Faso has two directors.

Corporate Governance

Many of the Company's directors and executive officers have significant experience conducting business in Canada, Perú, Burkina Faso, and Namibia, gained through their years of service to the Company in their respective roles or principal occupations, as applicable. Certain directors and executive officers have also travelled to Canada, Perú, Burkina Faso, and Namibia on several occasions for various purposes related to the Company's business, including meeting with government officials and representatives from banking and investment firms. Directors and executive officers of the Company visit the Company's operations as they deem to be necessary, often several times a year, to properly manage the Company's business and meet with local management.

As a part of carrying out the responsibilities of their respective offices, it is necessary for the directors and executive officers of the Company to familiarize themselves with the laws, requirements and roles of governments, local business culture and practices, and any differences in banking systems and controls in and between jurisdictions in relation to the Company's foreign operations. Directors and executive officers become aware of these matters on an on-going basis through their skills, experience, education, knowledge, and a combination of written materials, meetings, site visits, legal and other professional advice, and other briefings and training, as appropriate.

Information is typically communicated to the Company's head office from its other locations of business through typical methods in the English language. There are, however, circumstances where communications and documents relating to the Company's business in foreign jurisdictions are received by the Company in the local language, typically Spanish in Perú, Afrikaans in Namibia, and French in Burkina Faso. Items that are deemed material, including legal documents and communications from government officials, are translated into the English language.

Environmental Policies and Obligations

The Company's exploration, development, and mining activities are subject to various laws and regulations governing environmental protection, employee health and safety, waste disposal, remediation of environmental sites, reclamation, mine safety, toxic substances, and other matters. Compliance with applicable laws and regulations requires forethought and diligence in the conduct of the Company's activities. Further information is provided under the heading "Risk Factors".

Markets

The Company's principal product is zinc, which is primarily used as an industrial metal. The Company also produces lead, silver, and gold as byproducts of zinc production.

Global zinc demand continues to rise by approximately 2% to 3% per annum (or 280,000 t to 420,000 t of zinc metal) driven by gross domestic product growth, urbanization, and infrastructure development, and as a "mid-cycle" commodity with expanding markets for consumer goods (e.g., automobiles and appliances). Primary zinc supply is in deficit following the recent closures of several large mines (e.g., Brunswick-12, Century, and Lisheen). There is a consensus forecast of a significantly tighter zinc market over the next several years as supported by both increasing zinc commodity pricing and zinc smelting shortfalls due to the inability to secure sufficient zinc concentrates in addition to decreasing Spot and Annual benchmark smelting charges from 2015 onwards. Wood Mackenzie, an independent global commodity forecast consultant, is predicting zinc to average \$1.71 per pound in 2018.

Sales and Refining

For the year ended December 31, 2017, the Company's production from the Santander Mine, the Caribou Mine, the Rosh Pinah Mine and the Perkoa Mine was as follows:

| | Santander 2017 | Santander 2016 | Caribou 2017 | Caribou 2016 | Rosh Pinah 2017* | Perkoa 2017* |
|--------------------|---------------------------|---------------------------|-------------------------|-------------------------|-----------------------------|-------------------------|
| Payable Production | | | | | | |
| Zinc (million lbs) | 53.1 | 63.1 | 79.9 | 67.8 | 29.3 | 62.8 |
| Lead (million lbs) | 10.5 | 19.3 | 30.9 | 25.8 | 4.4 | - |
| Silver (ozs) | 602,700 | 813,807 | 890,300 | 739,374 | 68,533 | - |

*Rosh Pinah and Perkoa production was from August 31, 2017 to December 31, 2017.

The Company has life-of-mine concentrate off-take agreements with Glencore, a leading miner and commodity trader, for all concentrates produced at its active mining operations. Glencore, by way of its acquisition of Xstrata plc, also holds a right of first refusal for any future concentrate sales from the Halfmile and Stratmat properties. Consequently, the Company does not presently foresee any significant issues with securing buyers for any future concentrate production.

Employees

As at December 31, 2017, the Company had the following number of employees and contractors:

| | Employees | Contractors |
|-------------------------|------------------|--------------------|
| Santander Mine | 13 | 521 |
| Caribou Mine | 252 | 115 |
| Rosh Pinah Mine | 461 | 145 |
| Perkoa Mine | 331 | 344 |
| Head Office (Vancouver) | 19 | 1 |
| Total | 1,076 | 1,126 |

The nature of the Company's business requires specialized skills and knowledge. The Company operates large mining operations in Canada, Perú, Burkina Faso, and Namibia that require technical expertise in the areas of geology, engineering, mine planning, metallurgical processing, mine operations, community and governmental relations, and environmental compliance. Despite generally good labour relations, competition for skilled workers in the resource sector results in employee turnover at the Company's operations and a need to constantly recruit and train new employees. This competition for qualified employees occasionally results in workforce shortages, which can often be supplemented with costlier contract labour. The Company's success is heavily dependent on its key personnel and on the ability to motivate, retain and attract highly skilled employees. The Company has successfully negotiated two long-term union agreements at the Rosh Pinah Mine and the Caribou Mine.

MINERAL PROPERTIES

The Company considers each of the Santander Mine, the Caribou Mine, the Rosh Pinah Mine and the Perkoa Mine (collectively, the “**Material Properties**”) to be material mineral projects for the purposes of NI 43-101. Set forth below is certain scientific and technical information in relation to the Material Properties.

SANTANDER MINE

The scientific and technical information included in the following section has been derived from the technical report entitled “*Mineral Reserve Estimation Technical Report on the Santander Mine, Province de Huaral, Perú*” prepared by SRK Consulting (Perú) S.A. (“**SRK Perú**”) dated March 31, 2017 (effective October 31, 2016) (the “**Santander Reserve Report**”). The report was prepared under the supervision of Yao Hua (Benny) Zhang, Gary Poxleitner, and David Maarse of SRK Perú; Gilles Arseneau of ACS, and Leonard Holland of Holland and Holland Consultants Ltd. (“**Holland & Holland**”), each of whom is an independent “qualified person” under NI 43-101.

Summary

The zinc-lead-silver Santander Mine is located in west-central Perú and consists of a historically mined open pit and underground workings, as well as the current underground mine, currently producing at a rate of approximately 2,000 tonnes per day, a conventional sulphide flotation mill, and associated infrastructure. Trevali began construction on the Santander Mine complex in 2011. Underground mining operations commenced in 2013, commercial production was declared effective January 31, 2014.

Property Description, Location and Access

The Santander Mine is located in west-central Perú, about 215 kilometres east-northeast of the capital city of Lima. The location of the property is within the district of Santa Cruz de Andamarca, Province of Huaral, Department of Lima. The property is accessible by road from Lima either via the town of Huaral and then the village of Acos or via the town of Canta, at distances of 200 km and 215 km, respectively. On both routes, approximately 85% is travelled on paved road with the balance being good quality, maintained gravel roads.

Trevali effectively holds a 100% legal and beneficial ownership for all of the mineral concessions related to the Santander Property, which contains the Santander Mine. The Santander Property consists of 72 mineral concessions covering a total area of 4,454.7 hectares, which consists of an irregular, northwest-trending block of 66 mineral concessions covering 950.7 hectares and six other concessions covering 3,504 hectares. The mineral concessions were assigned to Trevali effective December 11, 2007 for a period of 50 years with an automatic 50-year extension. Trevali’s interest includes the right to engage in exploration, development, processing, and commercialization activities and the Company controls sufficient surface rights for the life of mine. The concessions that cover the Santander Mine and the surrounding mineral concessions is hereinafter referred to as “Santander”.

Santander is subject to the payment of annual maintenance fees for mineral concessions to maintain them in good standing. Santander is also subject to minimum annual commercial production requirements. Failure to satisfy these requirements may result in penalties or, in certain cases, cancellation of the concession. All of the Santander concessions are in good standing.

Santander is subject to three royalties or royalty-type taxes with differing methods of calculation:

- The ‘Special Mining Tax’ (Impuesto Especial a la Minería) is applied on a sliding scale from 0.2% to 0.4% on the net operating income of the mining operations. The net operating income is calculated as the annual net revenues generated by the mining operation less allowable transportation, refining, smelting, and milling costs, processing allowances and general administrative expenses.
- The ‘Mining Royalty’ (Regalia a la Minería) is applied on a sliding scale from 0.1% to 0.6% on the net operating income of the mining operations. The net operating income is calculated as the annual net

revenues generated by the mining operation less allowable transportation, refining, smelting, and milling costs, processing allowances and general administrative expenses.

- A 3.5% net smelter royalty payable to Compania Minerales Santander Inc. S.A.C (“**CMS**”) and is calculated based on the net operating income (the mine’s gross revenue less allowable operating and administrative expenses). Trevali retains a 100% interest in CMS. (See History section below)

Other than as described in 2017 Developments section, the Company is not aware of any rights, agreements, or encumbrances to which Santander is subject that would adversely affect the value of the property or Trevali’s ownership.

The property is located along the western edge of the Peruvian Altiplano with the main valley being at elevations of between 4,200 and 4,500 metres above sea level. Local ridges are steep with peaks at elevations exceeding 5,200 mASL. The highly dissected topography is typical of mountain glaciation with cirques and cols being common. A few remnant glaciers are present but retreat has been quite extensive over the last 20 years, exposing new bedrock.

The climate at Santander is typical of the Puna or Altiplano with annual precipitation levels between 700 and 900 millimetres per year at elevations above 4,000 metres. At lower elevations, precipitation ranges from 250 to 600 millimetres per year. Typically, three-quarters of annual precipitation falls during the December to March wet season, equally divided between rain and light-to-moderate snowfall, and the remainder occurring as sporadic rainfall throughout the rest of the year. Average daily temperatures vary with the season. Between June and August, daily highs typically range from 10°C to 16°C and lows typically range from 0°C to 5°C; from December to March, daily highs typically range from 5°C to 8°C and lows typically range from -5°C to -1°C. Humidity typically varies from 55% in August to 77% in March. Evaporation typically ranges from 49 millimetres in February to 136 millimetres in July. Operations are possible on a year-round basis.

History

There has been a long history of exploration and mining at Santander with some of the existing concessions dating back to the early 1900s. The earliest recorded work at Santander was carried out in 1925 when the mineral rights to the district were acquired by Rosenshine and Associates. In 1928, the United Verde Copper Company optioned the Property and carried out a program of exploration and core drilling in the area, the results of which are unknown. In the 1940s, the National Lead Company explored the area and conducted further drilling. This work confirmed the existence of significant silver, lead, and zinc mineralization at what is now known as the Santander Pipe (as defined herein). In 1957, St. Joe Minerals of New York, USA, (“**St. Joe**”) completed a detailed evaluation of the Santander Pipe and estimated a near surface resource of approximately 2.5 million tonnes of high grade lead-zinc mineralization with associated silver values that could be exploited by open pit methods. St. Joe also estimated that a further 2 million tonnes of resources could be exploited by underground mining methods.

On April 9, 1957, a Peruvian subsidiary of St. Joe was formed to exploit the identified resources, primarily lead and silver. The company built a 500 tonne per day concentrator plant that was subsequently increased to between 850 and 1,000 tonne per day. Simultaneously, a run-of-river hydroelectric plant was built at Tingo to provide a portion of the electrical power requirements for the operation.

Following corporate restructuring in 1985, St. Joe divested all of its Latin American mining operations, including Santander. A private Peruvian mining company, CMS subsequently acquired Santander and continued production from the Santander Pipe until August 1992 when work was suspended due to adverse economic conditions. Santander was dormant until mid-2007 when an evaluation was undertaken by Trevali.

Trevali acquired the Santander Mine through a 50-year assignment agreement dated December 11, 2011 with CMS, an insolvent Peruvian company that became a special purpose entity controlled by Trevali in 2009. Trevali has an effective 100% interest in Santander by virtue of CMS’s Creditors Committee approval of the mineral concession purchase option granted to the Company, and 100% voting rights held on the Company’s creditor’s claims, together with other Company obligations relating thereto as at December 31, 2017.

During the 34-year period prior to closure in 1992, the total production from the Santander Pipe was 7,993,105 tonnes of 10.88% Zn, 0.98% Pb, 0.31% Cu and 2 oz/t Ag. At the time of closure in August 1992, historical mineral reserves were estimated to be approximately 650,000 tonnes with an average grade of 9.74% Zn and 0.66 oz/t Ag (Espinosa and Flores, 1993). It is estimated that approximately 100,000 tonnes were mined from the Magistral Central and Magistral South deposits prior to closure in 1992.

Trevali began construction on the Santander Mine in 2011. Underground mining operations commenced in 2013 and commercial production was announced on February 20, 2014 with an effective date of January 31, 2014.

As at December 31, 2017, Trevali has mined a total of 2,934,387 tonnes of mineralized material from Santander's Magistral deposits since commencing production in 2013.

Geological Setting, Mineralization and Deposit Types

Santander is located within the Miocene metallogenic belt of central and northern Perú. It extends for at least 900 km along the Western Cordillera and adjacent Altiplano and is characterized by several hydrothermal mineral deposits of different types that formed between about 6 million and 20 million years ago. The belt is centred east of the Mesozoic and early Palaeocene Coastal batholiths and lies on mature continental crust that has undergone multiple episodes of compressive deformation from at least middle Palaeozoic to latest Neogene time. Mineralization is interpreted to have occurred pre-lower Miocene Quechua I compressive event and spanned later Quechua II tectonism. Mineral deposits are predominantly hosted by shelf carbonates and other sedimentary rocks of Late Triassic, Jurassic, and Cretaceous age and by volcanic and intrusive rocks mainly of Neogene age. Base metal and precious metal mineralization was intimately associated in time and space with the eruption of calc-alkali volcanic rocks of intermediate composition and the emplacement of mineralogically and geochemically similar dykes and stocks.

Santander hosts intrusion-related, carbonate-hosted, distal 'passive' replacement deposits, or carbon replacement deposits (CRDs). Controls on mineralization vary, however, with the majority of mineralization displaying very strong structural and lithological controls. The Santander CRDs, in common with those in other districts, displays a strong mineralogic/metallic zonation: a 'classic' lateral or vertical zonation (from distal to proximal) would be Mn » Ag » Pb+Ag » Zn » Cu+Au. Santander is underlain by an approximately 2,600-metre thick package of Cretaceous clastic and carbonate sedimentary rocks known as the Goyllarisquisga Group, within which an approximately 1,000 m thick sequence of massive limestones and limestone-shales of the Jumasha and Chulec Formations are the principal hosts identified to date. Pre-mineralization diabase dykes and sills are locally present within the section. The entire sequence is tightly folded into a series of orogen-parallel, northwest-trending anticlines and synclines. The lower, predominantly clastic part of the section has been thrust over the mainly carbonate-rich upper portion (the favourable host rocks) along the regional northwest-trending Santander Fault Zone. Unconformably overlying the tightly folded Cretaceous sediments are moderately folded and faulted andesitic Tertiary volcanics of the Calipuy Formation. Syn-mineralization intrusive activity, considered to be the heat and fluid sources that produced base metal mineralization, has not been recognized on the property to date. This absence is empirically considered indicative of a relatively large CRD system, and such bodies are inferred to be present at depth (>800 metres) on the property.

Santander includes four discrete deposit areas: the Magistral deposits, the Santander Pipe, the Puajanca Pipe, and the tailings area.

Exploration

Prior to Trevali acquiring Santander in 2007, there was minimal modern exploration activity on the property. In 2007, a 240-line km ground magnetic survey on 50-m line spacings was completed, resulting in the delineation of several magnetic anomalies along strike and similar to the Magistral deposits to both the north and south. In August 2009, a follow-up 159.13-line-kilometre ground magnetic survey on 50 and 100-metre lines spacings was completed. In 2010 and 2011, a 10.525-line-kilometre transient electromagnetic (TEM) survey and a 14-hole down-hole TEM survey was completed, respectively, which successfully identified mineralization and predicted mineral system continuity. Also in 2011, the Company conducted additional geophysical studies, including 32.63-line

kilometres of infill ground magnetic data, 9.15-line kilometres of induced polarization pole-dipole surveys, and gravity measurements from 130 stations.

With the exception of the drilling programs outlined in the next section, there has been no recent exploration undertaken at Santander.

Drilling

Extensive diamond drilling was carried out at Santander while it was in production from the mid-1950s until 1992, but no drilling took place after 1992 until Trevali acquired the project. Since acquiring the project in 2007 and as of December 31, 2017, Trevali has completed 55,364 metres of drilling in 228 diamond boreholes collared on surface and 39,183 metres of drilling in 397 diamond boreholes collared underground.

Drilling statistics for 2017 and for the project to October 31, 2017 are presented below:

| Zone Drilled | 2017 Drill Holes (#) | Project Drill Holes (#) | Drilling 2017 (metres) | Project Drilling (metres) |
|----------------|----------------------|-------------------------|------------------------|---------------------------|
| Magistral | 20 | 418 | 6,520.30 | 83,214.87 |
| Santander Pipe | 8 | 13 | 4,223.70 | 6,338.85 |
| Puajanca | - | 11 | - | 2,010.95 |
| Blanquita | 1 | 1 | 485.00 | 485.00 |
| Capilla | - | 2 | - | 441.80 |
| Blato | - | 2 | - | 1,003.80 |
| Planta | - | 10 | - | 1,145.50 |
| Relavera | - | 2 | - | 297.80 |
| Total | 29 | 459 | 11,229.00 | 94,938.57 |

Exploration work programs in Perú are carried out under the guidance of Mr. Daniel Marinov, P.Geo., Trevali's Vice President of Exploration, for the Company. Mr. Marinov is a "qualified person" under NI 43-101.

Magistral Deposits

The Magistral deposits consist of three main bodies: Magistral North, Magistral Central, and Magistral South; and six minor bodies: Rosa (depleted 2017), Bono, Fatima North, Fatima South, Magistral Central-North, and Oyon. Magistral mineralization is hosted in limestone of the Chulec formation, and the upper limits (or hanging wall) broadly correspond to a siliciclastic facies section of the Farat formation, often in fault contact. The lower limit (or footwall) of the mineralization is defined as the base of the last significant sulphide horizon and is occasionally gradational. Mineralized, narrow (generally less than 50 centimetres), but very high-grade veins occur perpendicular to the main Magistral bodies and occasionally present massive sulphide replacement in between the veins, as in the cases of Rosa, Fatima South, and Fatima North. At depth, Oyon splits into two parallel (stacked) mantos: Oyon 1 and Oyon 2.

The primary objective of the 2016/2017 Magistral drill program was to better define and upgrade the inferred resource to measured and indicated categories.

In 2018, the Company received final geochemical assay results from its 2017 resource conversion and exploration program that tested the deeper levels below and immediately adjacent to the currently defined mineral resources of the Magistral deposits. Results returned thick intervals of multiple stacked massive sulphide replacement mineralization whose zinc, lead, and silver grades were similar to those currently being actively mined and processed. All zones remain open for expansion and due to the limited amount of down-dip drilling, the Company believes that there is significant resource potential remaining.

As at December 31, 2017, the total inferred tonnage estimate for the Magistral deposits was 1.7 million tonnes at \$40 per tonne cut-off (refer to the "*Mineral Resource and Mineral Reserve Estimates*"). Based on widely spaced, deep drill hole intersections and downhole geophysical anomalies that are consistent with the mineral system model,

the exploration potential of the Magistral zone is considered good to excellent and will be a primary focus of the 2018 resource expansion program.

Santander Pipe

The Santander Pipe is located approximately 350 metres east of the Santander Mine's processing plant. Sulphide mineralization is hosted within the Santander anticline and is associated with skarn and/or associated gangue (silicification, dolomitization, and calcic alteration) in various proportions largely dependent on the original character of the host rock and postulated distance from heat/mineral source or pathways. In detail, the skarn mineralization forms a circular, massive, plug-like body in the Jumasha and Pariatambo limestone formation to depths of approximately 250 metres below surface prior to forming more discrete skarn hosted replacements in the underlying interbedded Chulec limestone formation to 480-metre vertical depth, which is the vertical limit of historic mining operations. The average diameter of the skarn/sulphide body is approximately 120 metres. The mineralization remains open for expansion as underground exploration drilling indicates that the Santander Pipe extends a minimum of an additional 250 metres below the lowermost development levels for an approximate total vertical extent of 730 metres.

Eight drill holes for a total of 4,224 metres were completed at the Santander Pipe in 2017. Drill holes were primarily focused on better defining high grade mantos below the historic workings, including one deep hole (1,500 metres) designed to demonstrate the potential of the mineralizing event. The definition drill program has continued into 2018 with another 3,500 metres of drilling remaining. Results of this drilling to date are very positive and allowed for an improved model of geology and mineralization additional definition drilling is planned for 2018. The 2017 drill holes and updated geologic model have not been incorporated into an updated resource estimate for the Santander Pipe. The Company believes that significant exploration potential remains below and adjacent to the pipe that has never had a focused, sustained, exploration test.

Puajanca Zone

The Puajanca prospect is located approximately one km east-northeast of the Magistral North deposit. Mineralization is hosted within the Santander anticline, which also hosts the Santander Pipe approximately three km along strike and at a 700-metre lower elevation to the south-southeast. Mineralization occurs within the Pariatambo and uppermost portions of the underlying Chulec Formations. Within the preferred Chulec limestone, host replacement and vein mineralization is associated with weak skarn alteration. At Puajanca South, mineralization is exposed over an area approximately 120 metres long by 20 metres wide with variable thickness. Exploration drilling indicates that mineralization extends from surface to vertical depths of approximately 225 metres and remains open.

Santander 2018 Exploration Outlook

In 2018, a \$3.5 million resource definition and exploration drilling campaign of an initial 15,000 metres will be dedicated to the test the down-plunge and lateral (in the hanging wall and footwall) extension and continuity of the Magistral and Santander Pipe deposits. Additionally, it is anticipated that a number of high-priority drill-ready exploration targets (Puajanca, Blato and Blanquita) will also be tested.

At Magistral, proposed drilling is intended to reach the 4,000-metre level, or approximately 300 vertical metres below current development. The primary aim of the program is to convert inferred tonnages into higher confidence categories to support longer-range mine planning and extend the existing mine life into 2021 and beyond.

At the Santander Pipe, conventional and directional drilling with borehole electromagnetics will continue to target extensions to the lower portion of the inferred mineral resource, which remains open for expansion at depth, with the goal of defining new mineral resources to support future mine planning. Directional drilling coupled with borehole electromagnetics (BHEM) is considered for the deeper section of the pipe. Previous historic drilling, beneath the past workings, has intersected up to 91.5 m grading 7.8% zinc (hole 4020J-44W) and 61.7 m grading 8.1% zinc (hole 4100L-104E-A).

It is also anticipated that a number of high priority drill ready exploration targets will be drill tested in 2018, including Puajanca, Blato, and Blanquita, all of which remain open for expansion, and are located in the highly

prospective Magistral and Santander trends and coincide with IP chargeability anomalies and favourable structural settings.

Sampling, Analysis and Data Verification

Drilling and data collection at Santander adheres to “Trevali’s Drilling—Logging and Sampling Procedures for Drill Core and Tailings” standard operating procedures manual.

Drilling methods at Santander are diamond drilling using HQ (63.5 mm core diameter) diameter rods, unless drilling conditions dictated reduction to NQ diameter (47.6 mm core diameter) and BQ diameter (36.5 mm core diameter).

Drill core is transported in core boxes directly from the drill rigs to the onsite core logging facility for processing. All geotechnical and geological logging personnel utilize a site-specific hierarchical coding system designed to ensure continuity of the logging parameters for the duration of the exploration programs, helping to maintain order, quality, and completeness of data collection. Prior to logging, the geologist marked all geotechnical structures using colours and letters to clearly identify different features.

All drill core is marked by the site geologist and is logged, digitally photographed, and bulk density is measured prior to cutting and sampling. The site geologist is required to complete the collar data sheet with final collar location, elevation, and orientation; to complete both standard (entire hole) and detailed (20 metres above the mineralized zone and 30 metres below) geotechnical logging of hole; to complete the geological logging of the hole; and to capture the geological features that crosscut the major rock type boundaries, for example, weathering, zones of alteration, mineralization, and structural features.

A number of measures are taken to ensure appropriate sample selection. The samples are consistently taken from the same side of the core after the core has been laid out with bedding planes facing up the hole and interlocked; a core reference line is drawn on the crest of the bedding planes and a wavy line or hatching is drawn on the side of the core to be retained before splitting. This practice allows the sampler, geologist, and any other interested party to confirm that no sampling bias is introduced by preferential selection of mineralized features. The core is then cut using a diamond saw with a rail guide on the core saw bench to ensure that core halves are equal. Samples are typically one-metre in length within continuous geological intervals. Samples are generally broken at visible geological contact.

Once cut, samples are bagged in 6 millimetre heavy-duty plastic bags and weighed. The sample ticket number is inserted into the bag. A duplicate of the sample tag is stapled to the core box to ensure a permanent record and the triplicate sample tag remains in the sample booklet. Prior to packing for delivery to the lab, a physical crosscheck of the sample bags is made against the sample numbers listed on the sample control log. While the relevant sample batch is being prepared, samples are securely stored on site in a lockable, purpose-built sample dispatch area. Samples are then delivered to the on-site lab preparation area that is operated by the Company. As part of the QA/QC program, control samples are added, which includes field duplicates (quartered core) at an approximate rate of 1 in 20, certified reference materials at an approximate rate of 1 in 20, and certified blank material at a rate of approximately 1 in 40.

Geological samples (underground and diamond drill) are received in a preparation area, separate from the mill samples. Samples are weighed, dried, and then crushed to 90% passing 10 mesh. Barcodes are applied to each sample after crushing. The crushers are cleaned with compressed air after each sample. At the beginning and end of each batch of 40 samples, the crushers are cleaned with quartz. The sample is then split, retaining 200 grams. Each 200-gram sample is pulverized to 95% passing 140-mesh (105 micrometres). Laboratory control standards and blanks are inserted at a rate of approximately 1 in 10.

Samples are delivered to an onsite laboratory for assaying. Zinc, lead, and silver assays are obtained by Aqua-Regia acid digestion dissolution followed by atomic absorption (AA) measurement. The AA machine is calibrated each shift and cleaned and calibrated when changing from geology samples to mill samples. Values of lead and zinc over 15% are assayed by volumetric method.

Operation of the onsite laboratory is outsourced and managed by SGS-Peru personnel. SGS-Peru's quality system complies with the requirements for the International Standards ISO 9001:2000 and ISO 17025: 1999. Analytical accuracy and precision are monitored by the analysis of reagent blanks, reference material, and replicate samples. Quality control is further assured by the use of international and in-house standards. Trevali personnel also insert blind certified reference material at regular intervals into the sample sequence to independently assess analytical accuracy. Finally, representative blind duplicate samples at a rate of approximately 5% are routinely forwarded to an ISO-compliant third-party laboratory for external quality control. All drill core assays have been carried out at the on-site Santander SGS laboratory since 2014. Production mine samples are also assayed at the independent on-site laboratory with external verification samples submitted to ALS-Chemex's laboratories in Lima, Perú.

The Santander database contains 1,016 drill holes and 4,705 channel samples as at October 31, 2016. Of the 1,016 drill holes, 627 (62%) were drilled by Trevali. The sampling and quality control procedures of the 389 (43%) pre-Trevali historical drill holes is not known. An independent qualified person has evaluated the impact of the historical holes and noted that 317 of the 389 historical holes are situated in the Santander Pipe area. Only 65 historical holes were drilled in the Magistral deposit and only 17 of these intersected the mineralized zone and three out of the seven historical holes drilled in the Puajanca area intersected the Puajanca Pipe.

Trevali's quality control program was designed, implemented, and monitored by Mr. Daniel Marinov, Trevali's Vice President of Exploration, and by Mr. Edison Rosell, mine geologist, and follows industry best practices to assure data quality of the drilling program and underground channel sampling program. Mr. Daniel Marinov is a QP as defined by NI 43-101 and is responsible for all aspects of the work, including the QA/QC programs.

Mineral Processing and Metallurgical Testing

The Santander mill and processing plant design was based upon laboratory test work carried out initially at Glencore's Yauliyacu concentrator laboratory and finally at the Santander metallurgical laboratory. A substantial amount of flotation testwork was carried out to assess all aspects of the differing mineralized bodies that exist in the Santander Mine, along with mixtures of the different mineralized bodies to assess the effect of the mining program throughout the mine life. Results of metallurgical test work provided the data used for the design of a conventional sulphide flotation process flowsheet along with an equipment list to process approximately 2,000 tonnes of mineralized material per day through the mill.

At the time of the Santander processing plant design and development, the Rosaura mill and flotation plant owned by Empresa Minera Los Quenuales S.A. ("**Los Quenuales**"), a subsidiary of Glencore, was closed. Trevali formed a joint venture with Glencore to use the Rosaura mill and flotation plant as the basis for the Santander design, which was disassembled, transported, and reconstructed at Santander, with additional equipment necessary to accommodate 2,000 tonnes per day of Santander plant feed, as well as reclaimed tailings. The forecasted average metallurgical recoveries were 85% for Zn, 85% for Pb, and between 68% and 70 % for Ag.

Mineral Resource and Mineral Reserve Estimates

Block model quantities and grade estimates for the Santander Mine were classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (May 2014) by Dr. Gilles Arseneau, P.Geo., of Arseneau Consulting Services Inc. ("**ACS**") under the supervision of Daniel Marinov, P.Geo., of Trevali. Both are "qualified persons" under NI 43-101.

Table 1 shows the Mineral Resource Estimates for the Santander Mine as of November 6, 2016 and Table 2 shows the remaining Mineral Resources contained within the tailings impoundment currently being reprocessed by Trevali.

Table 1: Santander Project Mineral Resource Estimate Effective November 6, 2016 at US\$40.00 Cut-off

| Resource Category | Quantity (Mt) | Grade | | | | | Metal | | | |
|------------------------|------------------|-------------|-------------|-----------|-----------|-----------|-------------|---------------|---------------|---------------|
| | | Ag (g/t) | Au (g/t) | Cu (%) | Pb (%) | Zn (%) | Ag (Moz) | Cu (M lbs) | Pb (M lbs) | Zn (M lbs) |
| Measured | 0.74 | 1.10 | 34 | 0.07 | 0.68 | 4.10 | 0.8 | 1.2 | 11.0 | 66.8 |
| Indicated | 3.1 | 1.26 | 39 | 0.07 | 0.86 | 5.03 | 3.9 | 4.9 | 58.2 | 339.7 |
| Measured and Indicated | 3.84 | 1.23 | 38 | 0.07 | 0.83 | 4.85 | 4.7 | 6.1 | 69.3 | 406.5 |
| Inferred | 12.0 | 0.56 | 17 | 0.09 | 0.23 | 4.21 | 6.7 | 24.8 | 60.5 | 1,114.4 |

Note: Ag = silver; Cu = copper; g/t = grams per tonne; Mt = million tonnes; Pb = lead; oz/t = ounces per tonne; Mlb = million pounds; Moz = million ounces; Zn = zinc; % = percent.
Dollar Value Cut-off = ((Ag Price x Ag Recovery x Ag Grade) + (Pb Price x Pb Recovery x (Pb Grade) + (Zn Price x Zn Recovery x (Zn Grade)). Price for silver is (US\$16.50/oz) and that for Pb (US\$0.95), Zn (US\$1.15) and Cu (US\$2.50) is per pound. A recovery of 74% was applied to Ag, 85% for Pb, 89% for Zn, and 0% for Cu for calculating the dollar value formula.

Table 2: The Tailings Impoundment Mineral Resource Effective November 6, 2016 at US\$15.00 Cut-off

| Resource Category | Tonnes (Mt) | Zn (%) | Zn (Mlb) |
|-------------------|----------------|-----------|-------------|
| Indicated | 3.6 | 1.98 | 156.6 |

Notes: Mlb = million pounds; Mt = million tonnes; US\$ = United States Dollar; Zn = zinc; % = percent.
Dollar Value Cut-off = (Zn Price x Zn Recovery x (Zn Grade)). Zn price (US\$1.15) and recovery of 89% for Zn was applied for calculating the dollar value formula. Mineral resources were estimated by inverse distance squared inside 10 m by 10 m by 5 m blocks. Assays were capped to a maximum of 5% Zn.

Resource estimates for Santander Pipe and Puajanca South are unchanged from 2012 but have been updated to reflect 2016 metal prices. Mineral resources were estimated by ordinary kriging inside 5 metre by 5 metre by 5 metre blocks for the Magistral deposits and 10 metre by 10 metre by 5 metre blocks for the Puajanca and Santander deposits. Assays were capped prior to compositing and assays were composited to 2 metres for the Magistral and Puajanca deposit and 3.5 metres for the Santander deposit.

Table 3: Santander Project Mineral Reserve Estimate Effective October 31, 2016

| Category | Tonnes (Mt) | Grade | | | | Metal | | | |
|---------------------|----------------|-------------|-----------|-----------|-----------|-------------|---------------|---------------|---------------|
| | | Ag (g/t) | Cu (%) | Pb (%) | Zn (%) | Ag (Moz) | Cu (M lbs) | Pb (M lbs) | Zn (M lbs) |
| Proven | 0.4 | 1.07 | 0.07 | 0.67 | 3.90 | 0.43 | 0.61 | 5.89 | 34.37 |
| Probable | 2.14 | 1.10 | 0.07 | 0.69 | 4.63 | 2.35 | 3.18 | 32.62 | 218.42 |
| Proven and Probable | 2.54 | 1.09 | 0.07 | 0.69 | 4.51 | 2.78 | 3.79 | 38.51 | 252.78 |

Notes: Mineral Reserves included in Mineral Resources. All figures have been rounded to reflect the relative accuracy of the estimates. The Mineral Reserve estimates are prepared in accordance with the "CIM Definition Standards on Mineral Resources and Mineral Reserves", adopted by the CIM Council on May 10, 2014, and the "CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines", adopted by CIM Council on November 23, 2003, using geostatistical and/or classical methods, plus economic and mining parameters appropriate to the deposit. Mineral Reserves are based on estimates of long-term metal prices of (US\$): Zn = US\$1.15/lb, Pb = US\$0.95/lb, Cu = US\$2.72/lb, Ag = US\$19.00/Oz, and a US dollar exchange rate = 3.40 PEN. Mineral Reserves are the economic portion of the Measured and Indicated Mineral Resources. Mineral Reserve estimates include mining dilution at grades assumed to be zero. Mining dilution and recovery factors vary for specific reserve sources and are influenced by several factors including deposit type, deposit shape and mining method. Mining cut-off for Mineral Reserves has been determined from net smelter return (NSR) based on Trevali Off-take Agreement metal accountability and a three-year production history and 2017 production forecast in the Santander Mine.
Zn = Zinc, Pb = Lead, Cu = Copper, Ag = Silver (Oz/t = troy ounce/metric tonne)

Mineral Reserves are derived from Measured and Indicated Mineral Resources after applying economic parameters.

The Mineral Reserves were derived and classified according to the following criteria:

- Proven Mineral Reserves are the economically mineable part of the Measured Mineral Resources where development work for mining and information on processing/metallurgy and other relevant factors demonstrate that economic extraction is achievable.
- Probable Mineral Reserves are those Measured and Indicated Mineral Resources where development work for mining and information on processing/metallurgy and other relevant factors demonstrate that economic extraction is achievable.

Mining Operations

Underground mining commenced in 2013 and commercial production was declared effective January 31, 2014. All mining and mineral processing activities are performed by contractors.

The underground mine is accessed via three operational portals at Magistral North, Magistral Central, and Magistral South. Each portal has an associated ramp system, and the Magistral Central and Magistral South ramps are connected at the 4,510-metre and 4370-metre levels, with one ramp servicing both Magistral Central and Magistral South for the remainder of the depths of the currently defined mineralized lenses. By-passes connect the Magistral North ramp system to the Magistral Central and Magistral South system on the main levels on elevations of 4,510 metres, 4,580 metres, 4,370 metres, 4,300 metres and newly planned 4,230-metre level.

Avoca is the main mining method utilized at the Santander underground operations. It is supplemented by up-hole retreat for partial sill pillar recovery and by modified Avoca in some extremity stopes along strike of the mineralization. Underground mining is divided into 70-metre vertical height mining blocks, in which each mining block consists of three 18 metre high sublevel production stopes and a 10 to 12-metre thick sill pillar to be left in place for overall stability reasons.

Stope sequencing is retreated along strike from lens extremities. Ore is hauled to surface by 20-tonne capacity trucks loaded by Load-Haul-Dump vehicles (LHDs). Waste rock broken underground is hauled by LHDs to empty stopes as backfill, to underground temporary storage (remuck bays), or to surface temporary waste storage. Ore mucked from stopes is either loaded directly into trucks or stored in remuck bays along the ramps prior to truck haulage. LHDs fill empty stopes with waste rock from development, supplemented with waste rock back-hauled from existing surface waste rock stockpiles.

As at December 31, 2017, the Santander Mine has an expected mine life of nearly three years, based upon current mineral reserves and production rates. It is important to note that recent exploration programs have been successful in increasing total mineral resources, particularly in the deeper portion of the Magistral deposits and the nearby Santander Pipe deposit. The Company anticipates a significant portion of these mineral resources may be converted to mineral reserves with additional drilling and represent an excellent opportunity to extend the mine life into 2021 and beyond. Future expansion plans include estimating the Santander Pipe mineral resource, developing mine plans to extract the historical pillars, and conceptual plans for developing the Santander Pipe deposit below historical workings using the shaft and a new ramp and portal.

Mineral Processing and Recovery Operations

The Santander processing plant is a conventional sulphide milling and flotation plant, comprised of three stages of crushing with two stages of grinding and differential flotation to produce zinc and lead concentrates. Concentrates are dewatered on-site and temporarily stored in concentrate sheds before being trucked to the Callo Glencore port facility near Lima as part of off-take agreements with Glencore. Process plant tailings are delivered to an on-site tailings management facility.

The Santander mill and flotation plant was designed and built by Trevali, Los Quenuales, and Holland & Holland. Los Quenuales' closed 1,250 tonne-per-day Rosaura mill was purchased, relocated, refurbished, and expanded to process Santander material at a nameplate capacity of 2,000 tonnes per day. The mill receives ore mainly from the Magistral underground zones, which is supplemented by excavated historical tailings from a nearby tailings pond.

The Santander processing plant is operated by Tecnomin Peru S.A.C., a Peruvian contractor, with Los Quenuales overseeing contracted labour, staff, and supervision of ongoing plant and processes optimization. The plant is operated 24 hours a day, 7 days per week, with scheduled monthly downtime for planned maintenance.

Since commissioning, the mill has been operating at better than predicted metallurgical results, in addition to a higher than predicted plant availability. The operating performance of the Santander mill in 2017 averaged approximately 2,300 tonnes per day (versus nameplate capacity of 2,000 tpd) with utilization of above 91.8%. A summary of historical metallurgical performance since achieving commercial production and 2018 guidance is provided in the table below.

| | Design Levels | 2014 Actual | 2015 Actual | 2016 Actual | 2017 Actual | 2018 Guidance |
|--------------------------------|---------------|-----------------|-----------------|-----------------|-------------|---------------|
| Average Metallurgical Recovery | | | | | | |
| Zinc | 85% | 88% | 90% | 89% | 87% | 88% |
| Lead | 85% | 85% | 89% | 86% | 80% | 82% |
| Silver | 68 – 70% | 75% | 77% | 71% | 64% | 67% |
| Average Concentrate Grades | | | | | | |
| Zinc | | 50% | 50% | 50% | 48% | 48% |
| Lead | | 57% | 58% | 58% | 47% | 46-47% |
| Silver | oz/ton | 46.65 oz/ton | 40.48 oz/ton | 40.48 oz/ton | 53.5 | 67 oz/ton |

Infrastructure, Permitting and Compliance Activities

Existing infrastructure at Santander includes a 2,000 tonne per day nameplate capacity mill and flotation plant, an on-site tailings management facility, a surface water treatment plant, a metallurgical laboratory operated by SGS Perú, ancillary surface buildings, and an underground mine. Electrical grid power is supplied under a long-term power purchase agreement in place with a SN Power, a significant Peruvian power distributor and from river generated power supplied by Volcan through long-term agreements. The property is accessed by road from Lima either via the town of Huaral and then the village of Acos or via the town of Canta, at distances of 200 km and 215 km, respectively. On both routes, approximately 85% is travelled on paved road with the balance being good quality, maintained gravel roads.

Mine dewatering flow rates increased from 340 litres per second to 550 litres per second as the mine progresses to depth. This change in flow rate is addressed in permit applications that are already under consideration by authorities. An expansion of the existing tailings management facility will be undertaken in 2018 to accommodate the current LoM tailings requirement. The permitted expansion configuration will involve a 3-metre raise of the existing tailings dam to provide the necessary storage, maintaining a similar footprint.

With the exception of the permitting described above, Santander requires no additional permits for continued operation and the mine is in compliance with all regulatory requirements. As at December 31, 2017, the Company has recorded a provision for environmental rehabilitation, mine closure, and reclamation activities of \$14.1 million, which it expects to settle during the course of mining and during closure.

Surface land use agreements are in place with the communities of San Jose de Baños, Santa Cruz de Andamarca, Santa Catalina, and San Jose de Chauca. Initiatives include donations of musical equipment to local community bands, medical and school supplies, literacy outreach programs, and tourism and sustainability studies performed in cooperation with the local communities. Regular community meetings and consultations are held with local stakeholders.

Capital and Operating Costs

Actual results for 2014, 2015, and 2016, 2017 and guidance for 2018 production, operating costs, and capital are summarized below:

| | | 2014 Actual ^{1,2} | 2015 Actual ² | 2016 Actual ² | 2017 Actual ² | 2018 Guidance |
|--------------------------|-------------------------|-------------------------------|-----------------------------|-----------------------------|-----------------------------|------------------|
| Payable Production | | | | | | |
| Zinc | (million pounds) | 50.4 | 54.1 | 61.2 | 53.0 | 54 – 57 |
| Lead | (million pounds) | 23.3 | 30.2 | 19.2 | 10.5 | 11 – 12 |
| Silver | (thousand ounces) | 914.6 | 1,055.9 | 813.8 | 602.7 | 654 – 687 |
| Site Cash Operating Cost | (\$/lb zinc equivalent) | \$0.37 | \$0.33 | \$0.45 | \$0.49 | \$0.50 |
| Site Cash Operating Cost | (\$/tonne-milled) | \$47.33 | \$42.65 | \$34.17 | \$40.19 | \$38 – \$42 |
| Sustaining Capital | (\$millions) | | \$11.6 | \$10.1 | \$17.9 | \$18.4 |

1. Represents only 11 months of commercial production, which was declared effective January 31, 2015.

2. See “Preliminary Notes – Non-IFRS Measures”. Detailed reconciliations of the non-IFRS measures to measures under IFRS for the years ended December 31, 2017, 2016, 2015, and 2014 may be found in the Company’s MD&A for the years ended December 31, 2016 and 2015.

Santander Mine 2018 Outlook

The Company’s Santander Mine continues to advance Magistral North ramp development in order to access the higher-grade zinc, lead, and silver mineralization in the Magistral North and Oyon Zones, both of which remain open for expansion. The 2018 production guidance estimates for the Santander Mine are:

- 54 to 57 million pounds of payable zinc in concentrate grading approximately 48% zinc;
- 11 to 12 million pounds of payable lead in concentrate grading between 46 and 47% lead; and
- 654,000 to 687,000 ounces of payable silver grading between 58 and 62 ounces per dry metric tonnes of lead concentrate.

Mill recoveries are expected to average 88% for zinc, 82% for lead and 67% for silver, which is above design levels of 85% for zinc, 85% for lead, and 68 – 70% for silver. Site cash operating cost for 2018 is estimated at approximately \$38 – \$42 per tonne milled.

CARIBOU MINE

The scientific and technical information included in the following section has been derived from the technical report entitled “*Technical Report on Preliminary Economic Assessment for the Caribou Massive Sulphide Project, Bathurst New Brunswick, Canada*” prepared by SRK dated effective June 26, 2014, as amended May 14, 2015 (the “**Caribou PEA Report**”) prepared under the supervision of Yao Hua (Benny) Zhang and Gilles Arseneau of SRK, Leonard Holland of Holland & Holland, and Jeffery Barrett of Stantec Consulting Ltd., each of whom is an independent “qualified person” under NI 43-101.

Despite having declared commercial production at the Caribou Mine on July 7, 2016 (effective July 1, 2016), the Company cautions that its decision to proceed to restart underground mining, commence mill commissioning, and extract mineralization proceeded without first establishing Mineral Reserves supported by a technical report and completing a pre-feasibility study or feasibility study. Accordingly, there could be a higher risk of technical and economic failure at the Caribou Mine because development proceeded without first establishing mineral reserves supported by a Technical Report and completing a pre-feasibility or feasibility study.

The Company also cautions that Trevali has not defined or delineated any proven or probable reserves for its Caribou Property since the Caribou PEA Report and mineralization estimates may therefore require adjustment or downward revision based upon variety of factors, including further exploration or development work or actual production experience. Further, Trevali’s estimated mine production and plant feed in the Caribou PEA Report, as amended, and in the current mine plan are based only upon mineralized material classified as Indicated and Inferred Mineral Resources, not Mineral Reserves. Inferred Mineral Resources are considered too speculative

geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is therefore no certainty that the conclusions of the production plans in the Caribou PEA Report, as amended, will be realized. Additionally, where Trevali discusses exploration/expansion potential, any potential quantity and grade is conceptual in nature, as there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the mineralization being delineated as a mineral resource. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into proven and probable reserves.

Summary

The Company's wholly owned zinc-copper-lead-silver-gold Caribou Mine is located 50 kilometres west of Bathurst, New Brunswick, Canada. The operations consists of an underground mine with significant underground development, a fully permitted 3,000 tonne per day mill, a sulphide flotation recovery plant, metallurgical and geochemical laboratories, a tailings management facility, and other associated infrastructure. The Caribou Mine has been in continuous production since the Company restarted underground mining operations in the first quarter of 2015; commercial production was declared effective July 1, 2016.

Property Description, Location and Access

The Caribou Mine is located in Restigouche County in the province of New Brunswick, Canada, approximately 50 kilometres west of the coastal community of Bathurst. The property is accessed by paved provincial Highway 180 and then by a 4 kilometre gravel road to the main mine infrastructure.

The Caribou Property is 100% owned by Trevali and consists of a single mining lease, ML-246, which covers an area of 3,105.7 hectares and contains the Caribou Mine. The mining lease has a 20-year term and expires on October 27, 2028. The property is approximately seven kilometres long in the east-west direction and five kilometres wide in the north-south direction. The mining lease that covers the Caribou Mine is hereinafter referred to as "Caribou".

Caribou is subject to three royalties or royalty-type taxes with differing methods of calculation:

- A 2% provincial royalty of the annual net revenue generated by the mining operation, which is equal to the gross revenue derived from mine output and commodity hedging less allowable transportation, refining, smelting, and milling costs, and processing allowances.
- A 16% provincial net profits tax on annual net profits exceeding C\$100,000. Net profit is calculated as the mine's gross revenues less allowable costs, specified allowances for depreciation, financing expenses, processing, eligible exploration expenditures, as well as the 2% provincial royalty paid. The net profits tax may be further reduced by tax credits related to eligible process research expenditures and exploration expenditures using advanced exploration technologies.
- A 10% net profits interest royalty payable to a third party, which is calculated as the mine's gross revenue less allowable operating and administrative expenses, taxes (other than income tax), financing expenses related to restart, and eligible depreciation and amortization expenses.

The Company has formal surface access agreements in place and the Caribou Mine site is a fully permitted facility that allows for mining and milling under the existing Certificate of Approval. The addition of a copper circuit to produce a copper concentrate has been reviewed and a Certificate of Determination to proceed was issued to the Company. The Company has life-of-mine concentrate off-take agreements with Glencore for all concentrates produced at the Caribou Mine.

Other than as described above, the Company is not aware of any rights, agreements, or encumbrances to which Caribou is subject that would adversely affect the value of the property or Trevali's ownership.

Caribou is located within the northern part of the New Brunswick Highlands of the Appalachian Physiographic Region of Canada. The highlands are characterized by deep valleys and variable relief. Elevation on the property

varies from 40 to 540 metres above sea level. In general, the topography of the land decreases in elevation from west to east, ending in gently undulating farm country on the east coast. The typical average annual temperature is approximately 10°C, with a summer maximum of 30°C and winter minimum of -30°C. Frost depth is at 2.0 metres. The total annual precipitation is approximately 880 millimetres, of which 60% is rainfall. Operations are possible on a year-round basis.

History

The Caribou Mine has been previously developed and mined by different owners, employing a variety of mining methods. The property's ownership is summarized in the table below:

| Company | Years of Ownership |
|-------------------------------|--------------------|
| Anaconda Minerals Company | 1954 to 1987 |
| East West Caribou Mining Ltd. | 1987 to 1989 |
| Breakwater Resources Ltd. | 1990 to 2005 |
| Blue Note Metals Inc. | 2005 to 2009 |
| Maple Minerals Inc. | 2009 to 2012 |
| Trevali Mining Corporation | 2012 to present |

Early exploration work at Caribou in 1954 by Anaconda Minerals Company (“**Anaconda**”) included an airborne electromagnetic (EM) survey over the property. Anaconda carried out preliminary surface mapping and exploration work in 1955 and began drilling the deposit in 1956. In 1959, Anaconda excavated a 380-metre long 2.4-metre by 2.7-metre adit to obtain a bulk sample of the mineralization. In 1965, Anaconda extended the adit to cover the entire deposit and discovered the supergene copper gossan by excavating a ventilation raise through the oxidized zone.

The mine began production from an open pit on the oxidized zone in 1970 and in 1971 mining continued in the sulphide body accessed from a ramp. Production ended in December of 1971. Anaconda initiated a second phase of production in 1973 and production ceased in November of 1974 and the project was placed on care and maintenance.

In 1980, Anaconda re-initiated exploration on the property and carried out a deep drilling program to test the continuity of the Caribou zone at depth. Anaconda also carried out limited test mining and processing that concluded with 25,400 tonnes of plant feed being milled at the Brunswick mine plant. In 1983, Anaconda built a gold-silver heap leach facility and processed 61,500 tonnes, producing 106,000 ounces of silver and 8,100 ounces of gold.

The project was transferred to the East West Caribou Mining Company Ltd. (“**East West**”) in 1987. Between 1987 and 1988, East West initiated pre-production construction that included underground development and the construction of a concentrator on the property. East West re-initiated production at Caribou in 1989 and shortly after, the mine was shut down due to various operating problems.

In 1989, Breakwater Resources Ltd. (“**Breakwater**”) acquired East West and briefly re-opened the mine producing 728,400 tonnes. The mine was closed in 1990 due to poor metallurgical recoveries. Metallurgical test work performed by Lakefield Research in 1994 demonstrated that lead and zinc concentrates could be produced with significantly higher recoveries than had been achieved in the past.

In 1996, Breakwater began construction of a new mill at Caribou and carried out surface exploration work on the property including the re-estimation of the mineral resources. Breakwater carried out soil and stream sediment sampling and magnetic and induced polarization geophysical surveys. Breakwater also drilled eight diamond drill boreholes totalling 2,659 metres. The drilling program was successful in identifying massive sulphide lenses at depth and production was re-initiated in July of 1997. In 1998, Breakwater drilled an additional five boreholes for 1,664 metres. Production was stopped again in August 1998 after having produced 586,598 tonnes grading 6.32% zinc and 2.93% lead and the mine was placed on care and maintenance.

From 1999 to 2000, Breakwater undertook several engineering studies to determine the feasibility of re-opening the Caribou Mine. Mineralogical and metallurgical studies were carried out at Lakefield Research, preliminary

engineering review of the modifications required to the concentrator, as well as detailed engineering reviews of critical environmental projects, were also carried out.

In 2005, the property was acquired by Blue Note Metals Inc., who re-opened the mine in 2007 but ceased production in 2008 after mining about 517,000 tonnes, due to economic conditions. In 2009, Maple Minerals Inc. (“**Maple Minerals**”) acquired Caribou from bankruptcy. On November 2, 2012, Trevali gained control of Caribou through the acquisition of Maple Minerals Corporation.

The following table summarizes the Caribou Mine’s historical production records prior to its acquisition by Trevali in 2012.

| Period | Tonnes | (Pb+Zn) | Zn (%) | Pb (%) | Cu (%) | Ag (g/t) |
|---------------|------------------|----------------|---------------|---------------|---------------|-----------------|
| Pre-1989 | 728,400 | 10.71 | 7.17 | 3.54 | | |
| 1989-1990 | 421,000 | 11.24 | 7.7 | 3.54 | | |
| 1990-1998 | 586,598 | 9.27 | 6.34 | 2.93 | | 90 |
| 2007-2008 | 567,449 | 7.63 | 5.19 | 2.44 | 0.26 | 62.72 |
| Total | 2,303,447 | 9.68 | 6.57 | 3.11 | | |

Several historical mineral resource and reserve estimates have been prepared for the Caribou deposit, which are summarized in the Caribou PEA Report and are not considered relevant as they are superseded by the estimate presented in the Caribou PEA Report.

Geology and Mineralization

The Bathurst Mining Camp occupies a roughly circular area of approximately 70 kilometres diameter in the Miramichi Highlands of northern New Brunswick. The area boasts some 46 mineral deposits with defined tonnage and another hundred mineral occurrences, all hosted by Cambro-Ordovician rocks that were deposited in an ensialic back-arc basin.

The volcanogenic massive sulphide deposits in the Bathurst Mining Camp formed in a sediment- covered back-arc continental rift during periods when the basin was stratified with a lower anoxic water-column. The basin was subsequently intensely deformed and metamorphosed during multiple collisional events related to east-dipping subduction of the basin. The rocks in the Bathurst Mining Camp are divided into five groups: the Miramichi, Tetagouche, California Lake, Sheephouse Brook, and Fournier groups, which are largely in tectonic contact with one another. The lower part of each group is dominated by felsic volcanic rocks and the upper part by mafic volcanic rocks, which are overlain by carbonaceous shale and pelagic chert. The basalts are both tholeiitic and alkalic and show a progression from enriched, fractionated continental tholeiites to alkali basalts to more primitive, mantle-derived midocean ridge, tholeiitic pillow basalts. Most massive sulfide deposits of the Bathurst Mining Camp are associated with felsic volcanic rocks in each group.

The Caribou deposit is a volcanogenic massive sulfide (VMS) deposit, is located in the northern part of the Bathurst Mining Camp and occurs in the core of a synformal structure that plunges steeply (80°-85°) to the north. The Caribou deposit is a VMS typical of the Bathurst Mining Camp, but is sufficiently distinct from the Brunswick type to warrant a subtype designation (Caribou type), within the Bathurst Mining Camp. Unlike the Brunswick-12 deposit, which is hosted by the Tetagouche Group, the Caribou deposit occurs in the California Lake Group near the base of a felsic volcanic rock sequence that comprises part of the Spruce Lake Formation. The Spruce Lake Formation volcanic rocks are petrologically and geochemically distinct from those of the Tetagouche Group. Furthermore, the Caribou deposit is not associated with the Algoma-type carbonate-oxide-silicate iron formation that overlies and is lateral to the Brunswick-12 and Heath Steele deposits.

The Caribou deposit consists of the following units from the base upward: (1) dark gray to black carbonaceous shale, pale gray phyllite, graywacke, and chloritic schist interbedded with hydrothermally altered pale green felsic volcanic rocks (footwall of the deposit); (2) stringer sulfides cutting hydrothermally altered sedimentary and felsic volcanic rocks; (3) massive sulfides comprising a vent complex and bedded sulfides; (4) chloritic schist at the contact between massive sulfides and overlying felsic volcanic rocks; and (5) interbedded felsic volcanic and sedimentary rocks.

Mineralization within the Caribou deposit is composed of seven *en échelon* lenses striking parallel to the Caribou fold numbered 10 to 80 that are zoned mineralogically and chemically from a copper-rich vent-proximal facies (vent complex) near the bottom and western part of each lens, to a lead-zinc-rich vent-distal facies (bedded sulphides) near the top and eastern part of each lens. The zones typically consist of 90% sulphides, mainly pyrite, sphalerite, galena and chalcopyrite. The main gangue minerals are magnetite, siderite, stilpnomelane, quartz and chlorite. Lenses 10, 20, 30, 70, and 80 occur on the north limb of the Caribou fold while lenses 40 and 60 are mostly on the eastern limb of the fold.

Exploration

There has been no significant exploration undertaken at Caribou with the exception of the drilling programs outlined in the next section.

Drilling

The Caribou deposit has been tested with a total of 1,235 diamond drill holes totaling 92,069 metres. Most of the drilling, 1,157 drill holes, were drilled from underground while 78 drill holes were collared from surface. Most of the surface drilling utilized N-sized core. Earlier underground diamond drilling was typically AX-sized, though some BX-sized core drilling was completed.

Drilling statistics for 2016 and 2017 and for the project to December 31, 2017 are presented below:

| Zone Drilled | Year | Drill Holes (#) | Project Drill (#) | Drilling (metres) | Cumulative (metres) |
|--------------|------|-----------------|-------------------|-------------------|---------------------|
| Caribou | 2016 | 234 | 1,235 | 11,326 | 80,320 |
| Caribou | 2017 | 195 | 1,235 | 11,749 | 92,069 |

Exploration work programs in Canada are carried out under the guidance of Mr. Daniel Marinov, Trevali's Vice President of Exploration, for the Company. Mr. Marinov is a "qualified person" under NI 43-101.

Between February and April 2014, four holes totalling 2,179 metres were drilled to test different property-wide geophysical anomalies identified from a Titan 24 IP survey in 2008 and for condemnation drilling for a planned tailings management facility expansion. A fifth drill hole, BR-1005 (1,095 metres), was completed to test deep mineralization down plunge, below and to the west-northwest of the defined Caribou resource. BR-1005 successfully intersected massive sulphide mineralization approximately 450 m below the mineral resource defined at the time. A subsequent wedge borehole attempt encountered technical difficulties and the hole had to be abandoned.

In October 2014 the company commenced a 5,000 m surface exploration program to continue drill testing the "Caribou mineral horizon" as well as define additional near mine resource to help extend the life of the current underground operation. Drill hole BR-1014A was designed to test the northwest down-plunge extension of the horizon at intermediate depths outside the defined mineral resource at the time. BR-1014A intersected 50.9 metres at a downhole depth of 607 metres (vertical depth of approximately 550 metres) grading 5.08% zinc, 1.76% lead, 0.37% copper, 59.66g/t silver, and 1.63g/t gold, within which several higher-grade intervals occur including 5 metres of 7.28% zinc, 2.41% lead, 0.38% copper, 82g/t silver, and 2.09g/t gold. Immediately underlying this interval was a thin copper-rich lens grading 1.4% copper, 0.8% zinc, 24.65g/t silver, and 0.2g/t gold over 2.3 metres, which may represent a local "feeder" source.

In August 2015, the Company commenced a 10,000-metre underground drilling program that was predominantly infill drilling and designed to provide additional detail for mine planning and to support the conversion of inferred mineral resources to higher confidence categories.

Between November 2016 and November 2017, the company completed 18,106 metres of surface drilling over 31 holes (including wedge holes), with the goal of proving continuity of mineralization encountered on the North limb of the "Caribou mineral horizon" in BR-1014A (discussed above). Directional drilling was used to help hit tighter targets at depth, and provide adequate drill spacing in order to define an inferred resource. Notable intercepts

included hole BR-1025 (35.39 metres of massive sulphide at a downhole depth of 512.35 metres grading 4.28% zinc, 1.41% lead, 0.38% copper, 53.06g/t silver, and 1.28g/t gold), BR-1033 (11.98 metres of sulphide mineralization at a downhole depth of 765 metres grading 6.05% zinc, 2.23% lead, 0.37% copper, 80.91g/t silver, and 2.12g/t gold) and BR-1036 (14.60 metres of sulphide mineralization at a downhole depth of 718 metres grading 5.81% zinc, 2.28% lead, 0.46% copper, 77.60g/t silver, and 2.21g/t gold). As a result, the program successfully defined two continuous lenses of massive sulphide mineralization outside the currently defined resource, varying from 5-to-plus-30 metres thick and have a currently modeled strike length of 450 metres and a dip length of approximately 700 metres, within which higher-grade “Run-of-Mine” mineralization occurs. Additional downhole geophysical surveys carried out BR-1017 which tested the northern margin of these lenses (BR-1017), as well as in historic hole CX97-02, 100+ m outside the currently defined lenses, suggested a high potential to further extend mineralization to the north. Drill hole BR-1037 was drilled to test this horizon 200 metres north of the defined mineralization, and successfully encountered 7.13 m of massive sulphide mineralization grading 11.09% zinc, 1.89% lead, 0.60% copper, 55.4 g/t silver, 0.39 g/t gold. To date, no additional follow up drilling has been completed around this intercept. Results will be incorporated into an updated mineral resource estimate in due course.

New Brunswick 2018 Exploration Outlook

In 2018, a \$4.0 million exploration program is proposed for various projects in New Brunswick. Exploration work will include:

- Caribou: Underground mineral resource definition and exploration drilling campaign of approximately 10,000 metres. The primary goal will be to add inferred and indicated tonnes below the east limb and hinge zone.
- Caribou: Surface exploration including approximately 1,500 metres of drilling along with mapping and sampling.
- Restigouche: Surface mineral resource definition, exploration and geotechnical drill program of approximately 5,000 metres for the Restigouche project.
- Heath Steele: Approximately 2,000 metres of drilling at Heath Steele to test initial exploration targets.
- Murray Brook: Exploration drilling and geophysics on the Murray Brook and Murray Brook East properties as part of the newly formed Strategic Exploration Alliance with Puma Exploration Inc.

Sampling, Analysis and Data Verification

No information is currently available on the sample preparation and security for the historical data collected by previous owners of the property, which comprises the majority of the Caribou database and are prior to the implementation of NI 43-101. Some descriptions of sample preparation, analyses, and security are available in historical reports. Independent qualified persons have reviewed these reports and summarized the methodologies used during past drilling campaigns. For diamond drill holes, the sampling was typically carried out in lengths varying from 0.3 to 1.5 metres with the bulk of the samples being less than 1 metre long. While some of the earlier boreholes were sampled with a core splitter, most of the drill cores were sampled with a saw. The remaining cores were stored in core racks inside the core shack on the Caribou property and remained in good condition for further examination. Most of the surface drilling utilized N-sized core. Earlier underground diamond drilling was typically AX- sized, though some BX-sized core drilling was completed. Underground drilling completed since 1987 is BQ core size. Underground chip sampling of faces in stopes and drifts was carried out on a regular basis, sampling methodologies are not described.

The assays used for the resource estimate are from historical information prior to NI 43-101 standards. All the samples at the mine were assayed by atomic absorption spectroscopy. Prior to 1987, this work was generally completed at a contract laboratory located in Bathurst, with assay checks completed at Lakefield Research and at an in-house Anaconda laboratory located in Butte, Montana. After 1987, assays were performed on site, with check assays being carried out in Bathurst by either a commercial laboratory or by Noranda Inc. The Company’s independent qualified persons are unaware of the certification that the historical laboratories may have had at the time the assays were carried out but have no reason to believe that the laboratories were biased.

There are no historical bulk density data available in the database supplied. Based upon past reports and production data, a fixed bulk density for both the massive sulphide (4.27 tonnes per cubic metre) and for the surrounding country rock (2.7 tonnes per cubic metre) has been derived and agrees well with historical mining campaigns and past reconciliation.

There are no QA/QC data in the Caribou database, but from historical records, it is evident that QA/QC samples were collected in the past and that protocols for collecting such samples were in place.

Drilling and data collection at Caribou since Trevali's acquisition of project adheres to "Trevali's Drilling—Logging and Sampling Procedures for Drill Core and Tailings" standard operating procedures manual, which are described in the section above entitled "Santander Mine – Sampling, Analysis, and Data Verification".

Samples are shipped to Bureau Veritas Minerals Laboratories ("BVML" – formerly ACME) preparation facility in Timmins, Ontario, then forwarded to Vancouver, British Columbia, for assay. SGS and BVML's quality systems comply with the requirements for the International Standards ISO 17025 with CAN-P-1579 designation. Analytical accuracy and precision are monitored by the analysis of reagent blanks, reference material and replicate samples. Quality control is further assured by the use of international and in-house standards.

Based on the review of historical reports and examination of drill core at the Caribou site, independent qualified persons have concluded that the sampling approaches used by previous owners of the Caribou project were consistent with industry practices at the time and consistent for this type of mineralization. While independent qualified persons have not been able to confirm the security procedures utilized during sampling, they have stated that they have no reason to doubt the reliability of the assay data. The assay data, based on sampling carried out by several past owners, seem to be in the appropriate range when compared with the historical production record for the deposit.

Mineral Processing and Metallurgical Testing

The Caribou deposit has been the subject of extensive metallurgical investigations since it was discovered in 1955. The relatively fine-grained nature of the mineralization has proven to be a challenge to standard milling techniques utilized at other deposits in the Bathurst Camp.

The majority of the early testwork focused on the production of a bulk concentrate, including some work to examine the production of separate concentrates. The best results produced a copper-lead concentrate of 5.1% copper at 39.9% recovery and 19.2% lead at 35% recovery. The zinc concentrate was 50.7% zinc at 51.9% recovery. A pilot plant run conducted at the Ministry of Northern Development and Mines in Ottawa produced a lead concentrate grading 30% lead at 60.5% recovery and a zinc concentrate grading 52% zinc at 23.4% recovery.

Testwork completed at Lakefield Research in 1995, which included bench scale testing and a 220-tonne pilot plant run, demonstrated much improved metallurgical results from that achieved previously. Based upon this work and a forecasted head grade of 3.9% lead, 7.2% zinc, and 97g/t silver, projected metallurgy was for a lead concentrate grading 47.5% lead at 70.3% recovery and a zinc concentrate grading 52.5% zinc at 83% recovery. The test work indicated that a primary grind of 80% passing 30 micrometres was necessary to achieve the projected metallurgical results. Three stages regrinding of lead concentrate to 80% passing 10 micrometres was required to obtain final lead concentrate grades. Final lead cleaning was performed at low pH using SO₂ as the pH modifier. After the lead was recovered, the zinc was floated in a conventional circuit with regrinding to 80% passing 16 micrometres.

A pilot plant study completed in November 1998 was followed up with a combined mineralogical characterization and metallurgical process development program at Lakefield Research in 2000. A less complex flowsheet using a simplified reagent scheme was developed to selectively produce lead, zinc, and copper concentrates. A mineralogy program concluded that while the Caribou sulphide mineralization was amongst the most complex in the world, by paying close attention to liberation, reasonable metallurgical results could be achieved using conventional mineral processing techniques. This program also highlighted the critical need to maintain the primary grind finer than 80% passing 30 micron, the lead regrind finer than 80% passing 8 micron, and the zinc regrind finer than 80% passing 15 micron. The test program indicated that, in fact, a primary grind at 80% passing 20 micron may be needed to achieve optimal performance.

According to Lakefield, close to two-thirds of sphalerite occurs as liberated grains, whereas galena and chalcopyrite are predominately intergrown in middling particles (galena liberation ~23%, and chalcopyrite liberation ~34%). Approximately 1.5wt% sphalerite reports to the plant's final tail sample. Sphalerite is mainly present in middling particles (liberation ~22%). Liberated sphalerite is present as minute grains (less than 8 micrometres). Galena also reports to these tails in middling particles, forming fine and fairly complex intergrowths. In contrast, approximately half of chalcopyrite occurs as liberated particles.

All of these test results lead Blue Note to purchase three ISA mills to achieve ultra-fine regrinding of the lead rougher concentrate. Blue Note's Caribou processing plant was in operation from July 2007 to October 2008 and to maximize the metallurgical performance in terms of grade and recovery, numerous plant trials were performed. After 10 months of operations in 2008, milled throughput was 819,453 dry metric tonnes yielding an average of 134 dry tonnes per hour and milling availability of 84.9 %. The head grade averaged 3.56% lead, 5.91% zinc, 0.27% copper, and 81g/t silver in 2008. A total of 45,745 tonnes of lead concentrate was produced assaying 43.13% lead, 4.20% zinc, and 540g/t silver. The lead recovery was 67.6 % and silver recovery 37.4 % in 2008. A total of 76,402 tonnes of zinc concentrate were produced with a zinc grade of 49.7 % zinc, 2.05 % lead, and 122g/t silver. The zinc recovery was 78.5%.

Metallurgical performance and design criteria for the rehabilitated Caribou processing plant outlined in the Caribou PEA Report was based upon the operating history of the plant, metallurgical testwork results available from previous operations, and extensive laboratory testwork programs completed by ALS Metallurgy Kamloops and at the Research and Productivity Council (RPC), under the supervision of DRA Americas, on behalf of Trevali. This work included the addition of a new copper flotation circuit design to recover copper from the lead circuit tailings. At a primary grind of 80% passing 30 micrometres and a daily processing plant throughput of 3,000 tonnes per day, the Caribou PEA Report indicated initial zinc recovery of 83.6% to produce a 50% zinc concentrate, lead recovery of 64.7% to produce a 45% lead concentrate, copper recovery of 42.2% to produce a 20% copper concentrate, and silver recovery of 35.3%, and gold recovery of 7.6%. The Company continues to focus on zinc and lead recoveries and, as of the date hereof, the copper circuit is not being utilized.

The operation continues to manage ongoing initiatives towards achieving the modelled 3,000 tonnes per day. The mill can operate at 140 wet tonnes per hour or 3,310 dry tonnes per day and consistently at 135 wet tonnes per hour. Actual recoveries and process plant throughput are slightly below design level ranges specified in the Caribou PEA Report. As part of the on-going ramp up at Caribou, the Company has completed a number of operational initiatives with partner Glencore that have significantly improved process plant performance in order to consistently achieve design levels, which is detailed further in the section below entitled, "Processing and Recovery Operations". The Company continues to focus on ramping up the operation towards design levels and it is anticipated that further optimization efforts will result in additional efficiencies going forward.

Mineral Resource Estimates

Block model quantities and grade estimates for the Caribou project were classified according to the *CIM Definition Standards for Mineral Resources and Mineral Reserves* (November 2010) by Guy Dishaw, PGeo, of SRK, under the supervision of Dr. Gilles Arseneau, PGeo. Both are independent "qualified persons" under NI 43-101.

Mineral resources were considered for the Measured category for blocks generally above the lowest mined levels, developed within the mineralized domains. Within this volume, most blocks were estimated by at least three composite samples from a minimum of two drill holes from the first and second interpolation passes, which searched out to 35 metres. Mineral resources were considered for the Indicated category where blocks were estimated by at least three composite samples from a minimum of two drill holes from the first and second interpolation passes which searched out to 35 metres (exclusive of the volume considered for Measured). Measured and Indicated candidate blocks were reviewed in three dimensions to assess how they related to each other and the borehole data. The Measured and Indicated candidate blocks were used to design wireframe models of the final Measured and Indicated category volumes. All remaining estimated blocks within the estimation domains were classified as Inferred. Mineral resources are summarized in Table 4 below. There are no mineral reserves at the Caribou project.

Table 4: Mineral Resource Statement*, Caribou Project, Bathurst, New Brunswick, SRK Consulting, May 13, 2014.

| Category | Quantity (Mt) | Grade | | | | | Metal | | | | |
|------------------------|------------------|-------------|-------------|-----------|-----------|-----------|--------------|--------------|---------------|---------------|---------------|
| | | Au (g/t) | Ag (g/t) | Pb (%) | Zn (%) | Cu (%) | Au (M oz) | Ag (M oz) | Pb (M lbs) | Zn (M lbs) | Cu (M lbs) |
| Underground** | | | | | | | | | | | |
| Measured | 5.61 | 0.84 | 84.64 | 2.93 | 6.91 | 0.46 | 0.15 | 15.28 | 362.69 | 855.36 | 56.94 |
| Indicated | 1.62 | 1.06 | 83.68 | 2.94 | 7.28 | 0.34 | 0.06 | 4.36 | 104.95 | 259.87 | 12.14 |
| Measured and Indicated | 7.23 | 0.89 | 84.43 | 2.93 | 6.99 | 0.43 | 0.21 | 19.64 | 467.64 | 1,115.23 | 69.08 |
| Inferred | 3.66 | 1.23 | 78.31 | 2.81 | 6.95 | 0.32 | 0.14 | 9.21 | 226.60 | 560.44 | 25.80 |

* Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate.

** Underground mineral resources are reported at a cut-off grade of 5% Zn equivalent. Cut-off grades are based on price for Au of US\$1470 per ounce, Ag is US\$26 per ounce, Cu is US\$3.39 per pound, Pb is US\$1.18 per pound, and Zn is US\$1.14 per pound, and exchange rate US\$1.00 per Canadian dollar. A recovery of 83% was applied to Zn, 71% was applied to Pb, 57% was applied to Cu, 45% was applied to Ag, and 40% was applied to Au.

Readers are cautioned that Inferred Mineral Resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is therefore no certainty that the conclusions of the Caribou PEA Report will be realized.

Mining Operations

Trevali commenced underground mining in 2015 and commercial production was declared for the Caribou Mine and processing plant effective July 1, 2016. Despite commencing commercial production in mid-2016, the Company, with technical support from Glencore, continues to focus on ramping up the operation towards nameplate design levels. Mine optimization initiatives included modification of drill-blast designs, fleet efficiency, road upgrades, and enhanced fleet maintenance, along with longer-term initiatives to better reflect the transition from commissioning to commercial operations, owner-operated, and fleet dry-hire solutions.

The Caribou deposit begins at surface and extends below surface and remains open for expansion as evidenced by exploration drilling encountering mineralization to depths of approximately 770 metres below surface (approximately 350 metres outside of the defined mineral resource). There is presently 16.9 kilometres, within a total 29.6 kilometres, of underground development, in 11 of 21 levels and sub-levels fully refurbished and available for production operations distributed over 7 zones. In addition, 1,676 metres of waste development and 1,873 metres of development in sulphides has been completed since January 2017. Access to the underground mine is by a connected dual ramp system from portals in the upper 100 metres of the mine and a single ramp system between 100 and 425 metres. A dual ramp system is being developed in the lower portion of the mine below 425 metres in order to provide improved ventilation distribution and equipment flow.

Modified Avoca is the main mining method, supplemented by uphole retreat for partial sill pillar recovery. Modified Avoca stopes employ unconsolidated waste rock and surface stockpiled waste rock as backfill. Crown pillar recovery is not currently considered in the mine plan due to a lack of geotechnical information. 45-tonne capacity underground haul trucks transport the mined material through the underground ramp system and out of the mine through the conveyor portal, where surface stockpile pads, crusher and the process plant is located.

On February 1, 2017, the Company announced, that as part of the planned transition from contract mining to an owner-operated model, the Company would procure a new underground mining fleet. The Company subsequently committed to an investment of approximately C\$20 million to supply and maintain a full fleet of Sandvik supported mining equipment for the Caribou Mine. The fleet of equipment started arriving at site in May 2017. Increased operating efficiencies were seen in the new underground haul trucks and scoop trams of 23% and 4.3%, respectively. In addition, mine dilution has decreased to 8.4 % from 18.2% in the first half of 2017 due to the new cable bolter performance and efficiency.

Plant Feed Estimate

There are no mineral reserves declared for the Caribou project. In the PEA, all mineral resources categories, including Measured, Indicated, and Inferred resources, were considered for inclusion in the mine plan. The resource block model was used for the design of mining shapes targeting all mineral resources above an in situ net smelter

return (NSR) cut-off value (CoV) of \$100/t based on a zinc price of US\$1.00/pound (lb), lead price US\$1.00/lb, copper price US\$3.00/lb, silver price US\$21.00/ounce (oz), gold price US\$1200.00/oz, exchange rate of US\$0.95 per Canadian dollar, an initial estimated total site cost of \$84.43 per tonne processed (comprising of site operating cost of \$74.93/t and royalties of \$9.50/t), and initial metallurgical zinc recovery of 83.6%, lead recovery of 64.7%, copper recovery of 42.2%, silver recovery of 35.3%, and gold recovery of 7.6%. Mining recovery and dilution parameters were applied based on the selected mining method and geotechnical considerations. External dilution averages 16% with an averaging \$43.15/t NSR. Mining recoveries vary from 27% to 94% dependent on stope category, with an average of 77%.

The estimated life-of-mine (LoM) plant feed is summarized in Table 5 below. There is no Mineral Reserve at the Caribou Mine.

Table 5: Plant Feed Estimate

| Category | Plant Feed | | | | | | |
|---|--------------|-------------|-------------|-------------|--------------|-------------|------------|
| | Tonnes (kt) | Zn (%) | Pb (%) | Cu (%) | Ag (gpt) | Au (gpt) | NSR (\$/t) |
| Measured | 2,461 | 6.18 | 2.45 | 0.32 | 68.20 | 0.89 | 131 |
| Indicated | 554 | 6.19 | 2.48 | 0.35 | 67.70 | 0.88 | 132 |
| Subtotal of Measured and Indicated | 3,014 | 6.18 | 2.46 | 0.33 | 68.11 | 0.89 | 131 |
| Inferred | 3,138 | 6.04 | 2.52 | 0.35 | 67.70 | 0.83 | 130 |
| Subtotal of Inferred | 3,138 | 6.04 | 2.52 | 0.35 | 67.70 | 0.83 | 130 |

* Figures have been rounded.

** The estimated plant feed is partly based on Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the preliminary economic assessment based on these Mineral Resources will be realized.

*** The reader is cautioned that the mineralized material should not be misconstrued as a mineral resource or a mineral reserve. The quantities and grade estimates are derived from the block model and include mining dilution and losses.

Processing and Recovery Operations

The process plant at Caribou is a conventional milling and sulphide flotation plant with a 3,000 tonne per day nameplate capacity. The process plant includes crushing, screening, grinding, regrinding, and zinc, and lead flotation and filtering circuits to produce zinc, and lead concentrates. Concentrate production is stockpiled onsite prior to shipping and sale to Glencore. The zinc concentrate is transported by rail to Valleyfield, Quebec for further processing while the lead concentrate is further processed at Glencore's nearby Belledune smelting complex.

Actual recoveries and process plant throughput experienced early in the restart were below design levels, which are detailed in the section above entitled, "Mineral Processing and Metallurgical Testing". As part of the ongoing ramp up at Caribou, the Company has completed a number of initiatives with its operational partner Glencore that have improved crushing, optimized the primary grind, improved flotation circuits performance, and overall plant availability. As a result of these initiatives, process plant throughput, metal recoveries, and concentrate quality have improved significantly. However, despite declaring commercial production in mid-2016, zinc recoveries in 2017 were below design level ranges, partly reflecting a combination of substandard grinding media in the mills, which has been resolved, and various seasonal variations, for which optimization programs are now in effect. Testwork and technical support, both internally and with third parties, including Glencore, is ongoing to enable better future management of seasonal zinc recovery variation. The Company continues to focus on ramping operations towards design levels and it is anticipated that these initiatives will result in further efficiencies going forward.

A summary of historical metallurgical performance since the declaration of commercial production on July 1, 2016, and 2018 guidance is provided in the table below.

| | Design Levels | 2017 Actual | 2018 Guidance |
|--------------------------------|----------------------|--------------------|----------------------|
| Average Metallurgical Recovery | | | |
| Zinc | 83.6% | 77.4% | 80% |
| Lead | 64.7% | 63.0% | 63% |
| Silver (in lead) | 35.3% | 39.2% | 35% |
| Average Concentrate Grade | | | |
| Zinc | 50% | 48.0% | 47% |
| Silver (in zinc concentrate) | 113 g/tonne | 131 g/tonne | 130 g/tonne |
| Lead | 46.5% | 39.3% | 37% |
| Silver (in lead concentrate) | 113 g/tonne | 736 g/tonne | 552 g/tonne |

Infrastructure, Permitting and Compliance Activities

The Caribou Mine falls within the Bathurst Mining Camp of northern New Brunswick, an area with a long history of mining that has a large pool of experienced mining personnel, contractors, and service providers available.

Existing infrastructure at the Caribou Mine includes access ramp portals, a shaft for services, surface ventilation equipment, a 3,000 tonne per day nameplate capacity mill, flotation circuits, a water treatment plant and sludge ponds, a tailings management facility, and various office and workshop buildings. The mine has a connection to New Brunswick Power Transmission Corporation's electrical power grid and an onsite diesel generator provides emergency power. The project is accessed via paved Provincial Highway 180 followed by a 4-kilometre gravel road to main mine infrastructure.

The Caribou Mine is a fully permitted facility that allows for mining and milling under its existing Certificate of Approval and requires no additional permits for continued operation. The mine is in compliance with all regulatory requirements.

On January 31, 2013, Trevali entered into a Limited Environmental Liability Agreement with the province of New Brunswick, where the province would accept the environmental liability associated with historic operations at Caribou. As at December 31, 2016, the current reclamation assets on file with the New Brunswick Department of Natural Resources totalled C\$5.14 million, and based upon the current reclamation plan, a total of C\$6.25 million reclamation security bond is required to be on file. Additionally, as per Trevali's Approval to Operate I-8310 (*Cond.15b*), an additional C\$1.5 million environmental protection bond will also be posted with the New Brunswick Department of Environment and Local Government. As at December 31, 2017, the Company has recorded a provision for environmental rehabilitation, mine closure and reclamation activities for Caribou of \$25.1 million, which it expects to settle during the course of mining and during closure.

In February 2017, the Company entered into a Cooperation Agreement with the Mi'kmaq First Nation, as the Caribou Mine is situated within their traditional territory. This agreement references the Impact Benefit Agreement executed in May 2011 covering the Halfmile Mine.

Capital and Operating Costs

Actual results for 2016, 2017 and guidance for 2018 production, operating costs, and capital are summarized below:

| | | 2016 Actual ^{1,2} | 2017 Actual ¹ | 2018 Guidance |
|---------------------------|-------------------------|----------------------------|--------------------------|-----------------|
| Payable Production | | | | |
| Zinc | (million pounds) | 36.7 | 79.9 | 86 - 90 |
| Lead | (million pounds) | 13.8 | 30.9 | 27.1 – 28.4 |
| Silver | (thousand ounces) | 402 | 890.3 | 627 – 658 |
| Site Cash Operating Costs | (\$/lb-zinc equivalent) | \$0.45 | \$0.48 | \$0.68 – \$0.74 |
| Site Cash Operating Cost | (\$/tonne-milled) | \$56.39 | \$58.57 | \$55 – \$61 |
| Sustaining Capital | (\$millions) | \$4.3 | \$8.1 | \$16.1 |

1. See “*Preliminary Notes – Non-IFRS Measures*”. Detailed reconciliations of the non-IFRS measures to measures under IFRS for the year ended December 31, 2016 may be found in the Company’s MD&A for the year ended December 31, 2016.
2. Caribou declared commercial production on July 1, 2016.

Caribou Mine 2018 Outlook

The Company, with technical support from its partner Glencore and other third parties, will continue to focus on optimizing zinc recoveries amongst other initiatives intended to improve efficiencies. The 2018 production guidance estimate for the Caribou Mine is:

- 86 to 90 million pounds of payable zinc in concentrate;
- 27.1 to 28.4 million pounds of payable lead in concentrate; and
- 627,000 to 658,000 ounces of payable silver in concentrate.

Metallurgical processing recoveries are expected to average 80% for zinc, 63% for lead, and 35% for silver. Site cash operating costs at Caribou are estimated at approximately \$55 to \$61 per tonne milled.

ROSH PINAH MINE

The scientific and technical information included in the following section has been derived from the technical report entitled “*Technical Report on the Rosh Pinah Mine, Namibia*” prepared by Roscoe Postle Associates Inc. (“**RPA**”) and dated April 8, 2017 (effective December 31, 2016) (the “**Rosh Pinah Technical Report**”) prepared under the supervision of Torben Jensen, Ian T. Blakley, Tracey Jacquemin, and Holger Krutzemann, each of whom was an independent “qualified person” under NI 43-101 at the time of preparation of the Rosh Pinah Technical Report. Since such time, Ms. Jacquemin has become an employee of the Company and is therefore no longer independent.

Summary

The Rosh Pinah Mine is located in southwestern Namibia, approximately 800 kilometres south of the capital city of Windhoek. The Rosh Pinah Mine consists of an underground mine, currently mining at a rate of between 1,800 and 2,000 tonnes per day, a mill, and associated infrastructure. The mine has been in continuous production since 1969 and currently produces zinc and lead concentrates containing minor amounts of copper, silver, and gold. Zinc and lead concentrates are transported by road to Luderitz, a port on the Namibian coast, and then sold to Glencore under an off-take agreement.

Project Description, Location and Access

The Rosh Pinah underground zinc-lead mine and 1,800 to 2,000 tonne per day milling operation is located in southwestern Namibia directly adjacent to the town of Rosh Pinah, where employees of the Rosh Pinah Mine and the nearby Skorpion Zinc mines reside, plus a number of private businesses are located. The town of Rosh Pinah is 800 kilometres south of Windhoek and 20 kilometres north of the Orange River, at the edge of the Namib Desert. The mine site is accessed by road and the nearest commercial airport is located in the town of Oranjemund, approximately 105 kilometres southeast of Rosh Pinah via a paved road.

The Rosh Pinah Mine is owned by the Rosh Pinah Zinc Corporation (“**RPZC**”). Trevali owns an 80.09% interest in RPZC and is operationally responsible for the management of RPZC. The remaining 19.91% of RPZC is owned by Jaguar Investments Four (Proprietary) Limited (“**Jaguar**”) (15.57%), PE Minerals (Namibia) (Proprietary) Limited (“**PE Minerals**”) (3.15%), and Employee Empowerment Participation Scheme (“**EEPS**”) (1.19%), the Namibian Broad-Based Empowerment Groupings.

RPZC owns 100% of Mining Licence 39 (“**ML 39**”), which covers an area of 782 hectares, with an accessory works (“**AW**”) area consisting of 4,433 hectares. ML 39 was granted by the Namibian Ministry of Mines and Energy (“**MME**”) on November 13, 1995 for a term of 25 years with an expiry date of November 12, 2020. ML 39 and the AW area can be renewed for a further 20 years upon application to the MME. ML 39 requires payment of an annual fee, development of a works program, environmental compliance, commitment to seek local suppliers for fuel and lubricants, approval of product take-off agreements, and payment of taxes by permanent employees in Namibia. ML 39 and the AW are hereinafter referred to as “Rosh Pinah”.

Rosh Pinah is mainly located on State Land (with State-owned surface rights) and thus no surface rights agreements are required; however, the property overlaps onto two farms, Namuskluft 88 and Spitskop III, where ancillary surface rights are in place. RPZC has sufficient surface rights to cover the sites required for all project buildings and fixed installations for the life of mine. All permits required to operate the Rosh Pinah Mine are currently in place and the Company is not aware of any undisclosed environmental liabilities on the property.

Mine production is subject to royalties at 3% of Net Market Value payable to the Namibian State and 3% of Net Market Value payable to PE Minerals.

Other than as described above, the Company is not aware of any rights, agreements, or encumbrances to which Rosh Pinah is subject that would adversely affect the value of the property or Trevali’s ownership.

RPZC also holds Exclusive Prospecting Licence 2616 (“**EPL 2616**”), which allows for exploration of base, rare and precious metals. EPL 2616 covers an area of 19,826 hectares and overlaps onto Spitskop farm. EPL 2616 was recently renewed for an additional three-year period.

The climate at Rosh Pinah, classified as a warm desert climate, is mostly arid and the most prevalent natural hazard is prolonged periods of drought. The topography of the immediate Rosh Pinah area is generally flat and borders large hills to the east that rise approximately 400 metres above the mine elevation. Elevation varies between 420 and 800 metres above sea level.

History

The Rosh Pinah Mine has been in operation since 1969, excluding a short period during the 1990s when it was placed into care and maintenance for economic reasons.

In 1964, mineral rights at Rosh Pinah were held by Moly Copper Mining and Prospecting Co. (SWA) Pty Ltd. (“**Moly Copper**”). Iscor Ltd. South Africa (“**Iscor South Africa**”) decided to explore the Rosh Pinah deposit and drilling commenced in 1965.

Thereafter, sufficient reserves were proven to develop a mine and an operating company, Imcor Zinc, Pty Ltd (“**Imcor**”) was formed between Iscor and Moly Copper. Preparatory work and mine development commenced during 1967, with ore production commencing in May 1969.

A sharp drop in the zinc price towards the end of 1992 led the mine into a loss situation and a subsequent disagreement on the financing of the mine between the shareholders led to the liquidation of the mine in December 1994. After liquidation, and prior to November 20, 2003, Imcor was owned by Kumba Resources Limited (“**Kumba Resources**”), PE Minerals, and Iscor Namibia. In November 2006, Kumba Resources changed its name to Exxaro Resources Limited (“**Exxaro**”). From 2008 until 2012, the Rosh Pinah Mine was jointly owned by Exxaro, PE Minerals, Jaguar, and the EEPS.

On June 11, 2012, Glencore acquired an 80.09% interest in RPZC. The remaining 19.91% is owned by PE Minerals (3.15%), EEPS (1.19%), and Jaguar (15.57%), the Namibian Broad-Based Empowerment Groupings. Effective August 31, 2017, Trevali acquired Glencore’s 80.09% interest in RPZC and became responsible for the management of RPZC.

Since commencing mining operations in 1969 to the end of 2016, a total of 26.4 million tonnes have been mined from the various orebodies at Rosh Pinah.

Geological Setting, Mineralization and Deposit Types

The Rosh Pinah Mine is hosted by the Rosh Pinah Formation (Hilda Subgroup of the Port Nolloth Group), forming part of the Neoproterozoic Gariep Terrane deposited onto a Palaeo-Mesoproterozoic basement of granite gneisses and supracrustals.

The base metal sulphides at the Rosh Pinah mine are contained within the approximately 30-metre thick ore equivalent horizon (OEH). In the Rosh Pinah area, the Rosh Pinah Formation has been shown to be at least 1,250 metres thick.

The primary mineralization type of economic interest at the Rosh Pinah Mine is a silicified, grey to dark grey, fine-grained and laminated unit locally called microquartzite mineralization. It consists of alternating millimetre to centimetre wide bands of sulphide exhalites (sphalerite, pyrite and galena + minor chalcopyrite), part of which was carbonatized with associated remobilization and enrichment of sulphides, and is believed to represent a classic reworked sedimentary-exhalative (SEDEX) style exhalite. The secondary argillite carbonate mineralization carries the higher, economic, base metal values. The argillite mineralization would be similarly derived, but diluted with background benthonic argillite.

Exploration

Since the discovery of the Rosh Pinah Mine, continued in-mine exploration has played a significant role in extending the life of the mine. Recently, the discovery of the WF3 zone has increased Mineral Reserves and extended the life of Rosh Pinah. The delineation of additional deep-seated mineralization has potential to increase the life of operations further.

Recent focus of the regional exploration program near Rosh Pinah has been the Gergarub Project, of which RPZC holds a direct 49% interest that provides Trevali with an effective interest of 39%. The Gergarub Project is located 13 kilometres north of Rosh Pinah where economic concentrations of base metal mineralization were drilled out in a joint venture, which more fully described in the section below entitled “Other Mineral Properties – Gergarub Project”. Other targets on the exploration licence are also being investigated.

Drilling

Drilling statistics for the project as at December 31, 2017 are presented below:

| Drilling Type | Drill Holes Project (#) | Project Drilling (metres) |
|----------------------|--------------------------------|----------------------------------|
| Underground | 3,002 | 373,204 |
| Production | 6,135 | 227,908 |
| Exploration | 891 | 151,099 |
| Geotechnical | 19 | 545 |
| QA/QC | 3 | 138 |
| Total | 10,050 | 752,896 |

All drilling sampling was conducted under the direct supervision of appropriately qualified geologists. The Company is unaware of any drilling, sampling or recovery factors that could materially impact the accuracy and reliability of the results.

Exploration work programs in Namibia are carried out under the guidance of Daniel Marinov, Vice President of Exploration, Trevali Mining Corporation for RPZC. Daniel Marinov is a “qualified person” under NI 43-101.

WF3 Exploration

This ore body is located on the western margins of the deposit about 230 metres in a north-westerly direction from WF4 zone and is controlled by a steeply dipping western limb of a complex overturned anticlinal structure. Boreholes drilled from surface have confirmed the continuity of the ore horizon in a NW direction for a further 140 metres. Exploration is still ongoing along strike to the north of WF3 where good potential is anticipated to exist to further extend the resource.

In 2017, more than 2,000 metres were drilled on three sections (690, 720 and 750) in order to convert them from inferred mineral resources to higher confidence categories. Results are pending, however, based on visual grade estimation, the intercepts range from moderately to well mineralized. An update on the outstanding assays are expected to be reported in the first half of 2018.

The majority of the 2017 exploration campaign focused mainly on WF3 orebody as currently defined with specific emphasis on converting inferred mineral resources to higher confidence categories. In summary, the drill-hole results continue to validate the geological block model. An example of a selection of several of the semi-massive sulphide intersections include:

U3203: 40.20 metres @ 9.42% Zn, 1.41% Pb, 1.18 oz/ton (33.52 g/t) Ag
U3207: 23.95 metres @ 11.05% Zn, 1.69% Pb, 1.12 oz/ton (31.75 g/t) Ag
U3208: 19.34 metres @ 9.11% Zn, 0.84% Pb, 0.78 oz/ton (22.02 g/t) Ag
U3210: 10.50 metres @ 9.59% Zn, 0.41% Pb, 0.50 oz/ton (14.30 g/t) Ag
U3208: 28.20 metres @ 8.39% Zn, 1.09% Pb, 0.64 oz/ton (18.05 g/t) Ag
U3209: 23.10 metres @ 12.82% Zn, 4.88% Pb, 5.41 oz/ton (153.31 g/t) Ag

Additional drilling also occurred on the eastern margins of the deposit, specifically targeting the currently defined EF orebody in order to improve the definition of the orebody contact with the surrounding host rock. Assay results are pending and are expected to be reported in the second quarter of 2018.

2018 Exploration Outlook for Rosh Pinah

RPZC is considering drilling underground exploration holes along strike to search for potential intersections at depth and along strike. Exploration targets have been outlined for northern and lower extensions of WF3 as well as for the AAB lens, which is located directly below the mined Southern lens. Geological interpretation utilizing OEH lithology, structures, grades, and existing knowledge of Rosh Pinah geology, has been used to outline an exploration target for WF3 of 10 to 20 million tonnes grading between 6% and 10% zinc, as well as an exploration target for AAB of 0.5 to 1.0 million tonnes grading between 5% to 8% zinc.

The aforementioned assessments of potential quantity and grade is conceptual in nature and there has not been sufficient exploration to define a Mineral Resource and the preliminary economics are not sufficient to support a reasonable expectation for economic extraction. It is uncertain if further exploration will result in any portion of the WF3 or AAB targets being delineated as a Mineral Resource.

RPZC maintains an inventory of remnants and pillars that have been removed from the reported Mineral Resources after consideration of prospects for eventual economic extraction, which present good potential for conversion to Mineral Resources based on further study or rise in commodity prices. Previous exploration has been used to outline an exploration target of 3 to 6 million tonnes grading between 4% and 8% zinc.

The potential tonnages and grades are conceptual in nature and are based on previous drill results that defined the approximate length, thickness, depth, and grade of these remnants and pillars. There has been insufficient exploration to define a Mineral Resource and the preliminary economics are not sufficient to support a reasonable expectation for economic extraction. It is uncertain if further exploration will result in the target being delineated as a Mineral Resource.

EPL 2616, which surrounds Rosh Pinah ML 39 and extends approximately 15 kilometres northwest to just past the Skorpion Zinc mine, was endorsed on March 7, 2018. The license is valid from December 1, 2017 to November 30, 2019. The EPL contains several prospective exploration targets, including the Massive Pyrite target (north of Gergarub), the Trekport Mountain West and the Trekport Mountain East anomalies.

Sampling, Analysis and Data Verification

Regional exploration surface boreholes are drilled using HQ-sized core (63.5-millimetre diameter core) for overburden and weathered zones and NQ-sized core (47.6-millimetre diameter core) in fresh rock. Underground boreholes are drilled at BQ-sized core (36.4-millimetre diameter core). Core recovery at Rosh Pinah is generally above 95%.

Logging, sampling and analysis procedures comply with current QA/QC procedures and NI 43-101 requirements. Logging and sampling methodologies and procedures are documented, routinely updated, and maintained by the exploration department.

Drill core is logged on site by a geologist for lithological, structural, and geotechnical (core recovery, rock quality designation (RQD), and rock mass rating) information. All borehole information is captured in an acquire database. A standardized logging form ensures consistencies in logging among the geologists and ad hoc validations are done by the resident geologist as part of the implemented QA/QC system. The descriptions in all the fields are regularly reviewed and new information is added when appropriate. To ensure consistent geological interpretation, all lithological units, alteration, and mineralization assemblages are described in detail in the “Geological Work Procedures and Standards” documentation. A Database Manager supervises the database, which has set validation specifications for populated data.

All primary and secondary drill cores are photographed before the core is stored at the core shed. Since full core samples are taken in all tertiary/production drilling (to be sent to the laboratory), the tertiary/production drill core (or the waste part remaining after sampling) is discarded on the waste dumps and not stored in the core shed.

Drill core is cut and sampled onsite at Rosh Pinah. Half-core samples are prepared using a specialized core saw utilizing fresh water to a maximum interval of 150 centimetres in mineralized intersections. Where geological or mineralization differences are noted, drill core can be selectively sampled to a minimum length of 40 centimetres. One half of the core is stored with the rest of the core and the other half is sent to the laboratory for analysis. Tertiary/production drill core is wholly sampled.

Samples are packaged at the core shed and registered into the Laboratory Information Management System (LIMS) by assistants in the Mineral Resource Management Department, then dispatched daily to the Rosh Pinah Mine Laboratory (“**RPML**”) located on the mine site. On arrival, samples are checked, sorted, bar coded, and activated in the LIMS. Samples are then crushed using a jaw crusher to -5.5 millimetres before splitting, using a Jones riffler, to obtain a representative sample of approximately 100 grams. Samples are then mill pulverized prior to wet chemical preparation. The following elements are analyzed at the RPML: Zinc, lead, magnesium, manganese, copper, and iron by inductively coupled plasma (ICP) and silver by atomic absorption (AA).

Although the internal RPML is not internationally certified, QA/QC procedures have been performed systematically at Rosh Pinah Mine since 2009 and 15% of samples are sent to an independent accredited facility. Standards procedures developed and followed include the submission of blanks, duplicate samples, and certified reference material, typically at every 18th sample interval, to measure precision, accuracy, and bias in the sampling and analytical process. Duplicates are taken every 14 samples with the duplicate retrieved by the assaying laboratory personnel after the sample has been crushed, basically representing a separate split. Duplicates are taken to quantify precision and any bias introduced after the parent sample was duplicated (i.e., during milling, digestion, and analysis). Sample duplication is also conducted to ensure and demonstrate analytical repeatability.

Check assays of pulverized pulps are performed by a second lab and generally represent 5 to 10% of the entire sample database. Comparisons and reconciliation between original and check assays are done routinely during drilling, and systematically before any resource estimation exercise.

Sample custody is ensured on-site by continuous inventorying and monitoring of drill core. Once samples are prepared, using the methodologies described above, they are inventoried, individually bagged, tagged, and sealed in larger bags for transport to the assay lab. Audits of the assaying labs are performed occasionally.

The Mineral Resource cut-off grade for the Rosh Pinah Mine is a 4% zinc-equivalent based upon the approximate cost of milling and transport of ore to surface. Copper is currently not considered economic or recoverable and is therefore not included in the zinc-equivalent calculation.

Mineral Resource and Mineral Reserve Estimates

Block model quantities and grade estimates for the Rosh Pinah Mine were classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves.

The table below shows the Mineral Resource Estimates for the Rosh Pinah Mine as of December 31, 2016.

| Category | Quantity (Mt) | Grade | | | Metal | |
|-------------------------------|------------------|-------------|-------------|-------------|---------------|-----------------|
| | | Ag (g/t) | Pb (%) | Zn (%) | Pb (M lbs) | Zn (M lbs) |
| Measured | 3.35 | 27.02 | 1.65 | 8.74 | 121.9 | 646 |
| Indicated | 6.59 | 22.77 | 1.44 | 7.4 | 209.2 | 1074.8 |
| Measured and Indicated | 9.94 | 24.2 | 1.51 | 7.85 | 331.1 | 1,720.70 |
| Inferred | 2.93 | 30.04 | 1.06 | 5.96 | 68.3 | 384.9 |

* Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate.

** Mineral resources are reported at a cut-off grade of 4% Zn equivalent.

The table below shows the Mineral Reserve Estimates for the Rosh Pinah Mine as of December 31, 2016.

| Category | Quantity (Mt) | Grade | | | Metal | |
|----------------------------|------------------|--------------|-------------|-------------|---------------|---------------|
| | | Ag (g/t) | Pb (%) | Zn (%) | Pb (M lbs) | Zn (M lbs) |
| Proven | 1.61 | 17.19 | 1.01 | 9.88 | 35.9 | 350.8 |
| Probable | 3.47 | 22.32 | 1.65 | 8.29 | 126.1 | 634.3 |
| Proven and Probable | 5.08 | 20.75 | 1.45 | 8.78 | 162.0 | 984.8 |

* Mineral reserves are estimated at various Net Smelter Return (NSR) cut off values depending on required development. All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate.

** Mineral reserves are estimated using average consensus forecast long term prices of US\$18.65 per ounce for Ag, US\$0.93 per pound for Pb, and US\$1.03 per pound for Zn, and exchange rate of 17.71 NAD/US\$.

Mining Operations

The Rosh Pinah Mine has been in continuous operation since 1969 and underground mining methods are well established. The mine's orebodies are accessed via multiple declines. All mining is mechanized using drill rigs, scooptrams, and underground haulage trucks. Waste is hauled via declines and placed in previously mined stopes.

Ore is dumped into an ore pass feeding a grizzly and primary crusher and is subsequently conveyed to the surface process plant.

Mining is done by sub-level open stoping. Ore development level spacing for open stoping is between 15 and 30 metres depending on the ore thickness with drive width dimensions of 6 metres wide and 4.5 metres high. Blast holes (76-millimetre diameter) for stoping are drilled from lower levels in a fan pattern using Atlas Copco Simba drill rigs. The burden is 1.9 metres and toe spacing is 2.8 metres. Emulsion explosives are used. Slot raises for stopes are drilled using an in-the-hole (ITH) 1.5 metre diameter raise bore machine. Extraction of stopes starts on the upper levels and proceeds down dip. No backfill is used in the mine and sill or rib pillars are left where required for geomechanical purposes.

The Rosh Pinah Mine utilizes a fleet of Atlas Copco Boomer drill jumbos, seven Elphinstone AD 30 haulage trucks, remote-capable Elphinstone scoop trams, including one R1300 unit, two R1600 units, and four R1700 unit, and two Atlas Copco Simba drills. In addition, there are various service vehicles including forklifts, scissor lifts, explosive loading units, a roof bolter, a scaler, a secondary breaking unit, and low-profile graders.

Annual mine production is typically 600,000 to 700,000 tonnes of ore from three different mining areas supplying a blend of ore types to the processing plant. The blending is carried out to manage the levels of copper, manganese and iron, which detrimentally impact recovery of zinc and lead, as well as to maintain a constant zinc and lead grade feed.

Processing and Recovery Operations

The process plant includes crushing, screening, and grinding followed by lead/zinc flotation and filtering to produce separate lead and zinc concentrates.

The run of mine ore is crushed in a primary crushing station, located underground from where it is conveyed into the beneficiation plant through a series of conveyor belts for further crushing, screening, and grinding. From the mill feed stockpiles, the ball mill is fed at a solids feed rate of 85 to 90 tonnes per hour. The ball mill is a 1,000 kW Osborn ball mill measuring 12-feet by 12-feet. Sodium cyanide is added in the mill to depress sphalerite and pyrite and Aerophine or Sodium Normal Propyl Xanthate (SNPX) is added to collect the galena. The milling circuit has two stages of cyclone classification in closed circuit with the mill to produce the lead flotation feed with 80% passing 106 microns. A third stage of cyclones dewater the flotation feed slurry to an optimal density.

The product from the milling circuit is sent to a conditioner where frother is added before it passes on to four rougher tank cells. The concentrate from the roughers are sent to the lead regrind circuit where it is grinded to a P80 of 25 µm. The regrind circuit consist of a high rate thickener, 3 x 18.5kW stirred media detritors and a product tank. The product from the regrind circuit is sent to a first cleaner bank cell. The concentrate from the cleaner bank cell is sent to the lead column cell and the tails is recycled back to the conditioner. The rougher tails go to two scavenger tank cells. Tails from the lead column cell is recycled back to the first cleaner and the final concentrate sent to the lead concentrate thickener and belt filter for dewatering. The scavenger concentrates are also recycled back to the conditioner while the scavenger tails become the feed to the zinc circuit which first passes through two parallel intermediate thickeners. The main purpose of the intermediate thickeners is to recover and recycle process water back to the lead and milling circuit. The final lead concentrate from the belt filter is discharged onto a drying floor, where it is dried and stockpiled until loaded onto trucks for dispatch to the port of Luderitz.

The underflow of the intermediate thickeners is fed to two zinc conditioners in series where copper sulphate is added to activate the sphalerite, SNPX added to collect the sphalerite, lime (occasionally to depress pyrite) and frother added. From the conditioners it is fed to a rougher tank cell which has its concentrate sent to the zinc regrind circuit where it is grinded to P80 of 53µm. The regrind circuit consist of a high rate thickener, a 90kW stirred media detritor and a product tank. The product from the regrind circuit is fed to a cleaner cell. The rougher tails is sent to a series of four scavenger tank cells. The concentrate from the cleaner cell feeds the final zinc column which in turn produces the final zinc concentrate which is sent to the zinc thickener and belt filter for dewatering. The final zinc concentrate from the belt filter is discharged onto a drying floor, where it is dried and stockpiled until loaded onto trucks for dispatch to the port of Luderitz.

The tails from the cleaner cell is combined with that of the rougher tails that feed the scavenger cells. The final column tails and the scavenger concentrate are both recycled back to the conditioners. The scavenger tails is sent to the tailings surge sump from which it is pumped to the tailings dam.

In 2016, RPZC started mining the WF3 orebody, which is expected to constitute about 75% of the current life of mine plant feed. Variations in the WF3 orebody (higher iron and harder ore) will necessitated the installation of regrind circuits (the “**Regrind Project**”) in both the lead and zinc circuits as well as additional cleaning capacity in the lead circuit to optimize beneficiation and continue producing concentrates at a saleable grade. The regrind project was commissioned in November 2017 and is in the process of being optimized. The project included an upgrade to the programmable logic circuit (PLC) and supervisory control and data acquisition (SCADA) system. This upgrade is expected to be completed in the second quarter of 2018. The upgrade included changes to the dewatering circuits to accommodate finer material. Also included in the scope of work is additional sampling points for Courier x-ray sample analyses

Infrastructure, Permitting and Compliance Activities

Mine electrical power is directly supplied from NamPower, the national power utility company of Namibia, through its grid system. Water is supplied by NamWater (Namibia Water Corporation) from the Orange River by means of a 23 kilometre pipeline.

The Rosh Pinah Mine has an Occupational Health, Safety and Environment Commitment (HSEC) Policy (2017) outlining their commitment to the prevention of pollution and the undertaking of business in an environmentally sound manner. These commitments are then implemented and managed through a certified ISO 14001:2015 Environmental Management System, which is valid until August 1, 2020. A certified ISO 14001: 2015 Management System is not a legal requirement; however, it is considered a best practice principle and provides a benchmark for Environmental Management.

RPZC’s Environmental Management Plans (EMPs) provide the framework for Rosh Pinah Mine’s environmental management and includes regular monitoring and biannual evaluation of environmental performance through compliance audits undertaken by an external consultant.

Mining in Namibia is mainly regulated by the Minerals (Prospecting and Mining) Act 33 of 1992 (Minerals Act) as amended by the Minerals (Prospecting and Mining) Amendment Act 8 of 2008. In terms of the Minerals Act, an Environmental Impact Assessment (EIA) study must be furnished to the Ministry of Environment before a mining project can proceed. It should be noted that while this Act dealt with environmental matters arising from prospecting in mining, the Act predated the Environmental Management Act 7 of 2007 (Environmental Act), which came into force in 2012. The current authorizations for the operation are aligned with the Environmental Act. Finally, the Minerals Act provides that the holder of a mineral licence must take all steps to the satisfaction of the Minister to remedy any damage caused by any mining activities. In the case of larger mining operations, the Minister would almost invariably demand guarantees that could be used by the Ministry to remedy damage caused by mining activities; this is in the form of closure financial liability. Currently, there is no mandatory mechanism for the funding of the Final Mine Closure Plan.

In addition, to this overarching environmental legislation, aspect specific legislation is in place, including the Water Act, Act 54 (1956), Nature Conservation Ordinance, No. 4 (1975), Atmospheric Pollution Prevention Ordinance (1976) and the National Heritage Act (2004). As at December 31, 2016, all applicable environmental licenses were valid.

Rosh Pinah town is a mining community built and managed by the mine for the employees. The town is inclusive of the Skorpion Zinc mine and the Rosh Pinah Mine, and a joint-venture private company called RoshSkor has been established by RPZC and Skorpion Zinc to manage and operate the town as a private municipality. All services and infrastructure to operate and manage the village are provided through RoshSkor. RoshSkor is also responsible for the implementation of Corporate Social Responsibility (CSR) projects, which are currently funded between Skorpion Zinc and RPZC. RPZC is approached with various projects and assists with the funding for projects aligned with its corporate objectives. Programs include training in basic needlework, hand weaving of carpets,

development initiatives in the informal settlement of Tutengeni, which involves the upgrade of a school, training and implementation for the removal of waste and waste segregation, cleaning, etc.

Capital and Operating Costs

Actual results for 2017 and guidance for 2018 production, operating costs and capital are summarized below on a 100% basis:

| | | 2017 ¹ | 2018 Guidance |
|--------------------------|-------------------------|-------------------|-----------------|
| Payable Production | | | |
| Zinc | (million pounds) | 29.7 | 105 – 115 |
| Lead | (million pounds) | 8.56 | 5.7 – 6.0 |
| Silver | (thousand ounces) | 119.8 | 123 – 129 |
| Site Cash Operating Cost | (\$/lb-zinc equivalent) | \$0.41 | \$0.55 – \$0.60 |
| Site Cash Operating Cost | (\$/tonne-milled) | \$58.3 | \$49 – \$54 |
| Sustaining Capital | (\$millions) | \$23.6 | \$19.4 |

- 2017 reflects October to December production only. See “*Preliminary Notes – Non-IFRS Measures*”. Detailed reconciliations of the non-IFRS measures to measures under IFRS for the years ended December 31, 2017, 2016, 2015 and 2014 may be found in the Company’s MD&A for the years ended December 31, 2017, 2016 and 2015.

Additional capital and direct operating cost estimates for the eight years ending 2024 (as at December 31, 2016) are presented in the Rosh Pinah Technical Report.

Rosh Pinah Mine 2018 Outlook

The 2018 production guidance estimate for the Rosh Pinah Mine, based upon 100% ownership, is:

- 105 to 115 million pounds of payable zinc in concentrate;
- 5.7 to 6.0 million pounds of payable lead in concentrate; and
- 123,000 to 129,000 ounces of payable silver in concentrate.

Mill recoveries are expected to average 89.8% for zinc, 54.6% for lead, and 38.3% for silver. Site cash operating costs are estimated to average between \$49 to \$54 per tonne milled.

PERKOA MINE

The scientific and technical information included in the following section has been derived from the technical report entitled “*Technical Report on the Perkoa Mine, Burkina Faso*” prepared by RPA and dated April 7, 2017 (effective December 31, 2016) (the “**Perkoa Technical Report**”) prepared under the supervision of Torben Jensen, Ian T. Blakley, Tracey Jacquemin, and Holger Krutzelmann, each of whom was an independent “qualified person” under NI 43-101 at the time of preparation of the Perkoa Technical Report. Since such time, Ms. Jacquemin has become an employee of the Company and is therefore no longer independent.

Summary

The Perkoa Underground Mine and the 2,000 tonne per day milling operation is located in the Sanguie Province, approximately 120 kilometres west of the capital city of Ouagadougou, Burkina Faso. The Perkoa Mine has been in commercial operation since 2013 and currently produces a zinc concentrate.

Property Description, Location and Access

The Perkoa Mine is located in the Sanguié Province, approximately 120 kilometres west of the capital city of Ouagadougou, Burkina Faso. The project is located about 35 kilometres northwest of Koudougou, the country's third largest town, and is linked by road to the neighbouring states of Mali, Côte d’Ivoire, Ghana, Niger, Benin, and Togo by paved roads and by rail to Abidjan, the capital of Côte d’Ivoire.

Trevali is the indirect owner of 90% of the shares in the capital of Nantou Mining Burkina Faso S.A. (“**Nantou Mining**”), the entity that owns the Perkoa Mine. The remaining 10% of Nantou Mining is owned by the Government of Burkina Faso, in accordance with the Burkina Faso Mining Law.

The Perkoa Mine consists of one exploitation permit (the “**Perkoa Exploitation Permit**”), which contains the Perkoa main zone deposit (the “**Perkoa deposit**”) and two exploration permits (the “**Perkoa Exploration Permits**”), all located on contiguous ground. The exploitation and exploration permits comprising the Perkoa mine are subject to Burkina Faso’s 2003 Mining Code No. 31–2003/AN, dated May 8, 2003 (the “**2003 Burkina Faso Mining Code**”).

The Perkoa Exploitation Permit, held by Nantou Mining, was granted on March 20, 2007 and formally grants Nantou Mining the rights to develop and operate the Perkoa Mine. It is scheduled to expire on March 20, 2027. The total area of the Perkoa Exploitation Permit is 6.24 square kilometres and the permit is of sufficient size for the mining operations. Trevali indirectly holds 90% of the share capital of Nantou Mining while the State of Burkina Faso holds 10%, in accordance with the 2003 Burkina Faso Mining Code. This 10% State participation must be maintained when there is an increase in the capital of Nantou Mining. The government also collects various taxes and duties on the imports of fuels, supplies, equipment, and outside services. In addition, there is a 3% NSR royalty payable to the government on all base metal production in Burkina Faso.

The Mining Convention between Nantou Mining and the Government of Burkina Faso was signed by the Minister of Mines of Burkina Faso on August 27, 2008 and sets out the fiscal and legal terms with respect to the operation of the Perkoa Exploitation Permit, including taxation rates applicable to the project as per the 2003 Burkina Faso Mining Code. The Convention is valid for 20 years ending August 25, 2028 and may be renewed for subsequent 5-year periods.

The Perkoa Exploitation Permit is surrounded by the Poa Exploration Permit and the Guido Exploration Permit (collectively, the “**Perkoa Exploration Permits**”), which cover a total area of 231.83 square kilometres. The Poa and Guido Exploration Permits were originally granted to Blackthorn Resources Limited (“**Blackthorn**”) by arrêté N° 07-098/MCE/SG/DGMGC on July 10, 2007 and were subsequently transferred to Nantou Exploration by arrêté N° 2015-000073/MME/SG/DGMGC on March 2, 2015. An exceptional renewal application for the Perkoa Exploration Permits was received on 03 October 2017 for a period up to 10 July 2019 and exploration expenditures will be required in order to maintain the permits in good standing. The 2003 Burkina Faso Mining Code gives the exploration permit holder the exclusive right to explore for the minerals requested on the surface and subsurface within the boundaries of the exploration permit. The Perkoa Exploration Permits are held by Nantou Exploration S.A. (“**Nantou Exploration**”), which is owned 100% by Trevali; however, should an exploitation permit for any portion of the Perkoa Exploration Permits be granted, the State would receive a 10% interest in the new exploitation company that will need to be established. A new mining convention would have to be negotiated in accordance with the 2015 Burkina Faso Mining Code and according to the 2015 Mining Code the State would be entitled to purchase an additional equity interest.

Nantou Mining has all required permits to conduct the work on the property and the Perkoa Exploitation Permit is of sufficient size for the mining operations. Surface rights in the area of the Perkoa Exploitation Permit belong to the State of Burkina Faso. Utilization of the surface rights is granted by the Perkoa Exploitation Permit under condition that the current users are properly compensated. All the taxes relating to Nantou’s Mining Rights have been paid to date and the concession is in good standing. The Company is not aware of any undisclosed environmental liabilities on the property. The contiguous exploitation and exploration permits that cover the Perkoa Mine are herein referred to as “Perkoa”.

Other than as described above, the Company is not aware of any rights, agreements or encumbrances to which Perkoa is subject that would adversely affect the value of the property or Trevali’s ownership.

The site topography is relatively flat with a prominent hill directly to the southeast of the underground mine area. Topographical elevations range between 265 and 271 metres above sea level. The prominent hill southeast of the mining areas shows elevations ranging from the 271 metres above sea level on the surrounding plain to a maximum of 293 metres above sea level.

The Perkoa region is of the Sudanese north type with two distinctive seasons: a long dry season from October to May with temperatures between 15°C and 41°C and a season of rainfall from June to September with temperatures between 22°C and 35.3°C. The annual precipitation ranges from 703 to 994 millimetres and average evaporation is 3,524 millimetres. The average monthly precipitation is between 207 and 226 millimetres, with August being the wettest month. Burkina Faso's climate allows for exploration to be carried out throughout the year. Geological fieldwork and rotary drilling are usually conducted during the dry season, while diamond drilling can be conducted throughout the year.

History

The Perkoa area has been explored by a number of companies since 1979. The initial exploration was undertaken between 1979 and 1982 by Bureau des Mines et de la Geologie de Burkina (“**BUMIGEB**”), the Burkina Faso state run geological research and mining company, as part of a wider United Nations Development Program research program, which included regional geochemical surveys, ground geophysics surveys, and drilling 12 inclined diamond drill holes totaling 2,359 metres that resulted in the discovery of the Perkoa Deposit. This was followed by further exploration by La Société Minière et Métallurgique de Peñarroya and BUMIGEB between 1983 and 1986, which included additional geophysical surveys, 39 inclined surface diamond drill holes totalling 12,925 metres, and a preliminary feasibility study. Between 1990 and 1992, Boliden AB (“**Boliden**”) drilled 23 inclined surface diamond drill holes totaling 6,476 metres and defined a maiden resource for the Perkoa Deposit. Between 1996 and 1997, Billiton Plc (“**Billiton**”) (now BHP plc) completed a soil geochemical survey, drilled six inclined and vertical drill holes totaling 1,283 metres, and completed a preliminary feasibility study. In 1999, Metorex (Pty) Limited acquired the project from Billiton and completed an IP geophysical survey and a small drill program on a geochemical anomaly approximately southwest of Perkoa (Prospect AF1 of Billiton), before AIM Resources Ltd. (“**AIM Resources**”), which subsequently changed its name to Blackthorn, took over the project in 2005.

Between 2005 and 2008, AIM Resources completed drilling for exploration and metallurgical testwork and produced a Bankable Feasibility Study in December 2005 (“Perkoa BFS”) that was completed by Snowden Mining Industry Consultants (“Snowden”). The Perkoa BFS reported a Measured and Indicated Mineral Resource of 6.72 million tonnes grading 16.4% zinc, all at a 5% zinc cut-off grade (the “**Perkoa 2005 Mineral Resource**”). The Perkoa 2005 Mineral Resource estimate was classified as Measured and Indicated Resources using the guidelines of the December 2004 *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the “**JORC Code**”). Included within the 2005 Perkoa Mineral Resource was Proven and Probable Mineral Resource of 6.27 million tonnes grading 14.5% zinc at a 5% zinc cut-off, as classified using the guidelines of the JORC Code.

These estimates prepared for AIM Resources are considered to be historical in nature and should not be relied upon. These are relevant as these are indicative of the mineralization on the property. Trevali is not treating the historical estimates as current Mineral Resources or Mineral Reserves and these have been superseded by the Mineral Resource and Mineral Reserve estimates reported in the section entitled “Mineral Resource and Mineral Reserve Estimates”.

In March 2007, AIM Resources was awarded the Perkoa Exploitation License and commenced construction of a 525,000 tonne per annum mining operation based upon the Perkoa BFS. In July 2008, construction was halted and Perkoa was placed on a care and maintenance program due to declining zinc prices.

In late 2010, a joint venture between Blackthorn (39.9%) and Glencore (50.1%) was formed and construction resumed in December 2010 with the first delivery of zinc concentrate occurring in early 2013. In March 2013, Blackthorn reached an agreement with Glencore to provide additional equity funding to the project. Blackthorn elected not to fund its equity share of the funding and, as a result, its interest in the Project was diluted from 39.9% to 27.3%. In May 2014, Blackthorn and Glencore reached an agreement whereby Glencore acquired Blackthorn's remaining 27.3% interest in Perkoa, thereby allowing Blackthorn to exit Perkoa and increasing Glencore's interest to 90%. In 2017, Trevali acquired Glencore's 90% interest in Perkoa.

The Perkoa Mine has been in continuous operation since production commenced in May 2013, which is summarized in the table below:

| | Units | 2013 | 2014 | 2015 | 2016 | 2017 |
|------------------------|--------|---------|---------|---------|---------|---------|
| Ore Processed | tonnes | 548,201 | 495,651 | 513,283 | 590,083 | 657,933 |
| Zinc Grade | % | 6.33 | 13.56 | 14.99 | 14.96 | 15.23 |
| Zinc Recovery | % | 92.8 | 96.7 | 89.3 | 92.1 | 92.5 |
| Zinc Concentrate | tonnes | 63,648 | 126,015 | 130,269 | 153,715 | 179,707 |
| Zinc Concentrate Grade | % | 50.6 | 51.6 | 52.8 | 53.0 | 51.6 |
| Zinc Metal | tonnes | 32,215 | 64,976 | 68,804 | 81,422 | 92,731 |

Geological Setting, Mineralization and Deposit Types

The Perkoa deposit lies in a felsic to intermediary series of volcanic and volcanoclastic rocks, within the Paleoproterozoic Birimian Supergroup of West Africa. The prospective Birimian-aged rocks in Burkina Faso are the same sequences that host major gold deposits in Burkina Faso and in the neighbouring countries of Ghana and Mali. The Birimian Supergroup of West Africa is renowned for their gold mineralization; however, known occurrences of base metals are scarce. The Perkoa deposit represents the only significant zinc-silver massive sulphide mineralization discovered in the Birimian to date and it is also the first zinc-silver massive sulphide mineralization discovered in this region.

The Perkoa project area is located in the central part of the Boromo greenstone belt, which comprises volcanic and sedimentary rocks of the Lower Palaeozoic Birimian Supergroup that have been metamorphosed to lower greenschist facies. At least three phases of deformation have affected the Boromo belt and mafic to felsic dykes and granitic bodies were emplaced in several intrusive phases. The zinc-silver mineralization has been dated at 2.12 to 2.14 billion years ago.

In the Perkoa area, the Birimian sediments, lavas, and pyroclastics strike from northeast to southwest and generally dip steeply to the northwest. Several units of andesitic lavas with subordinate andesitic tuffs, separated by sequences of tuffs interlayered with fine grained clastic sediments, make up the lithological package in the project area. A number of syn-tectonic and post-tectonic intrusive bodies have been emplaced within the meta-sediments, which range from large plutons of granitic and dioritic composition, to smaller ultramafic to rhyolitic intrusions. Crosscutting lineaments with a northwest-southeast orientation are common although major displacements along these lineaments are rare.

The Perkoa deposit has been classified as a volcanogenic massive sulphide (VMS) deposit. VMS deposits are lenses and sheets of massive sulphide that form from seafloor hydrothermal systems where metal rich fluids precipitate on (exhalative) or near the seafloor (sub-seafloor replacement.). The Perkoa mineralization occurs as a series of stacked, northeast-southwest striking tabular VMS lenses hosted, and separated by, tuffaceous material that has been overturned with an average dip of approximately 70°. The deposit is unusual for its high concentrations of zinc and barium mineralization, and relatively low levels of lead and copper.

Exploration

A joint venture between Blackthorn and Glencore explored the potential of the Perkoa deposit and four exploration permits (POA, Guido, Seboun, and Sepaogo) from 2010 to 2014. The significant exploration work completed during this phase included: Versatile Time Domain Electromagnetic System (VTEM) airborne geophysical survey, airborne magnetic survey, ground induced polarization (IP) geophysical surveys, rotary air blast (RAB) drilling, and geochemical sampling. A significant amount of exploration work has also been carried out at Perkoa by previous operators that can also be used for target generation.

In 2015, Glencore took over all responsibility for exploration and recommended that mine definition drilling be prioritized; however, regional exploration must be undertaken well in advance of reserves depletion. The principal exploration recommendation was that proven geophysical exploration techniques (airborne, surface and downhole)

be employed in the search for large blind base metal deposits along the strike of the Perkoa deposit (the “Perkoa Mine Horizon”).

Exceptional renewal applications for the Poa and Guido Exploration Permits were approved on October 26, 2017 for a period up to July 10, 2019. Exploration expenditures will be required in order to both maintain the permits as well as to potentially discover new sources of mine feed.

The areas covered by the exploration licences, as well as other areas along the Perkoa Mine Horizon, are considered highly prospective for base and precious metal deposits. Perkoa is a VMS deposit, a style of mineralisation which usually occurs in clusters and thus the potential for another similar VMS deposit to exist within close proximity to Perkoa is very high. Located within the Birimian, a world class gold mining district, and only 88 kilometres along strike from the historic high grade, Poura Gold Mine there is also potential for gold mineralisation to be discovered.

Drilling

As of December 31, 2017, the Perkoa drill hole database contains 410 holes, totaling 80,539 metres, from 133 surface and 277 underground diamond core holes. In addition, there are 56 geotechnical drill holes totaling 1,488 metres. The database also contains grade control face and channel samples that have been converted into 957 pseudo drill holes totaling 6,717 metres. Approximately 23,000 metres of drilling was completed prior to 2005 by previous operators.

| Drilling Type | Number of Drill Holes As of 31/12/2017 | Metres Drilled As of 31/12/2017 |
|----------------------------|---|--|
| Surface | 133 | 42,315 |
| Underground | 277 | 38,224 |
| Geotechnical | 56 | 1,488 |
| Grade Control Pseudo Holes | 957 | 6,717 |
| Total | 1,423 | 88,744 |

Until 2017, diamond drill holes were drilled NQ core size and cut in half for sampling, with the remaining half kept for reference. Core recovery is estimated at greater than 95%. All underground drill holes drilled at Perkoa during 2017 were BQ-sized core, with the entire core sampled. For underground drilling, only a few witness holes have been kept due to storage limitations. All drill holes are routinely photographed, and since 2017, this has been conducted by a DSLR camera mounted on a fixed frame. The drill hole database incorporates downhole surveys and drill hole collar locations, including dip and azimuth.

Between 2011 to 2012, almost 6,000 metres of surface drilling was added in order to target and define the lead-silver rich areas within the upper portion of the mine, with the aim of defining additional resources for conversion to open pit reserves.

Between the end of 2013 and June 2015, 17,530 metres of underground infill drilling was completed. Drilling followed the development of the underground mine and helped define most of the upper part of the mine from 70 to 280 levels.

Between December 2015 and September 2016, 9,218 metres of underground infill drilling was completed to upgrade the resources to a higher classification between the 280 and 430 levels and complete the definition of the upper areas of the deposit.

Between March 2017 and December 2017, 12,347 metres of underground infill drilling and 12,757 metres of surface drilling was completed to upgrade the mineral resources to measured and indicated mineral resources between the 400-580 levels. Results are pending and are expected to be incorporated into an updated mineral resource estimate in the first half of 2018.

Perkoa Exploration Outlook 2018

The initial 2018 in-mine diamond drilling program consists of 3,376 metres of underground drilling planned to define resources to the Measured and Indicated category from 460 to 640 levels within the hanging wall lens. Historic resource to reserve conversion of 60% suggests that if successful, this program could significantly extend the life of mine.

As the mineralisation remains open at depth, an additional 5,434 metres of underground exploration drilling is also planned for 2018, targeting new inferred resources below the 640 level. As part of a 2017 re-interpretation, a steep NE plunge to the mineralisation was identified and this will continue to be the focus of exploration at depth. Exploration at Perkoa will also be aided by the application of downhole electromagnetic surveys.

Exploration results that include geophysics, sampling, and drill results on wide spacing may not be indicative of the occurrence of a mineral deposit. Such results do not provide assurance that further work will establish sufficient grade, continuity, metallurgical characteristics and economic potential to be classed as a category of mineral resource. A mineral resource that is classified as “inferred” or “indicated” has a great amount of uncertainty as to its existence and economic and legal feasibility. It cannot be assumed that any or part of an “indicated mineral resource” or “inferred mineral resource” will ever be upgraded to a higher category of resource. Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into proven and probable reserves.

Regional exploration around the Perkoa deposit will focus on discovering the next VMS deposit in the camp. A number of high priority targets generated from historic VTEM surveys will be verified by ground EM surveys and will initially be tested by trenching and air core drilling. A small gravity survey is planned to help distinguish a potential massive sulphide deposit from sulphide stringers zones and graphitic shale horizons. Surface diamond drilling is planned to test the main targets in the second half of 2018.

Sampling, Analysis and Data Verification

Drill core is delivered to the surface core shed by the drilling contractor. Core is carefully logged with geological and geotechnical information being recorded, including lithological contacts, core angles and extent of economical mineralization limits, geotechnical characteristics, geological footwall, assay footwall, base of banded ore, and assay hanging wall (GFW/AFW/BBO-AHW), rock quality designation (RQD), and core recovery, by visual determination and estimations. SG measurements for every sample are recorded on site at Perkoa by weighing in air and water. Blind selected samples have been sent to a third-party laboratory for validation of SG measurements. Core is photographed in a wet state under natural light.

NQ core is split into half along the marked axial planes using a diamond saw. A geologist samples half of the split core in interval limits of 0.25 to 1.0 metres. Samples do not cross lithologies. 1.5 metre intervals are used for shoulder samples and in waste areas. The core from BUMIGEB drill holes was sampled every metre within the mineralized zones. The Boliden and Billiton core were sampled with respect to rock facies contacts with the mineralized zone resulting in varying sample intervals between 4 and 6 metres. Perkoa has a detailed geological procedures manual for underground sampling and, when applicable, underground channel sampling is supervised by a geologist or geological assistant, and consists of a 0.2 to 2.0-metre channels approximately 10 centimetres wide and 3 centimetres deep.

The sampled core pieces are packed in new small sample plastic bags and tagged with duplicate labeled sample tickets. The geologist ensures that the QA/QC processes are followed during sample submission. The small sample bags are then packed into larger bags that are secured to prevent contamination and spilling of samples during transportation to the assay laboratory by Perkoa Mine transportation personnel.

From January to September 2017, core samples were sent to SGS Ouagadougou for crushing and pulverizing, and the pulps were then sent to SGS Vancouver for analysis. After preparation at SGS Ouagadougou, the pulps were sent to SGS South Africa in Johannesburg for analysis. Reject samples were retained by SGS Ouagadougou and pulps were kept in either SGS South Africa or SGS Vancouver.

Upon arrival at SGS laboratories in Johannesburg and Vancouver, the pulps are weighed and test samples are dry screened. The main assaying suite is SGS Ore-Grade Analysis Code ICP13B. The pulps are analyzed by two acid digestion with ICP-AES finish for lead, zinc, and silver. Ore-grade packages are used to analyse samples that have high concentrations of pay metals. Typically, ore-grade analyses are accomplished by adjusting the sample weight and final solution volume ratio, thus expanding the linear range of the analysis.

Since September 2017, core samples were sent to ALS Ouagadougou for crushing and pulverizing. The pulps are then sent to ALS Vancouver for analysis. Zinc, lead, copper, iron and silver assays are obtained by Aqua-Regia dissolution followed by ICP-MS (ME-OG46). Values of zinc over 30% are assayed by titration (Zn-VOL50).

The onsite Perkoa mine laboratory analyses are used only for mine production sampling (channel samples, face samples, stockpile samples) and for process plant sampling utilizing X-ray fluorescence (XRF) spectroscopy. Plant metallurgical samples, which arrive in liquid state, are kept separate from geology samples at all stages of preparation and analysis. This laboratory is not certified and assays are not used in the Mineral Resource estimate. However, the Perkoa Mine Laboratory's XRF assays are used to determine concentrate grades. Composite samples are sent to Alfred H. Knight International Ltd. for independent confirmation.

No information is available on the sample preparation, assay laboratory, or QA/QC for the pre-2005 drill holes. Samples collected by Blackthorn were assayed for zinc, lead, silver, copper, and arsenic at Transworld Laboratory in Tarkwa, Ghana, using aqua regia digestion (ARD) with an atomic absorption (AA) finish. Samples collected by Blackthorn following the 2005 Perkoa BFS (2008 to 2011) were analyzed by ALS in Vancouver, Canada after sample preparation in Ouagadougou, Burkina Faso. The samples were analyzed by four acid digestion with inductively coupled atomic emission spectrometry (ICP-AES) finish. The first channel and face samples collected onsite on mining levels 70 to 130 were all analyzed by ALS in Vancouver, Canada after sample preparation in Ouagadougou, Burkina Faso. These samples were analyzed using AA acid digestion with ICP-AES finish. All samples assayed thereafter for channel and face samples were analyzed at the onsite mine laboratory by pressed pellet XRF analysis.

QA/QC procedures are performed systematically at the mine. Blank and standard samples are systematically inserted on a regular sample batch interval at the rate of every 25 samples, and are routinely evaluated when results are received. SGS also insert a suite of internal laboratory blanks and certified reference material standards at a frequency of approximately 14%. The commercial geochemical analytical laboratories in Burkina Faso and South Africa, and more recently Vancouver, comply with international standards for specific registered tests for the minerals industry and follow strict, industry recognized, QA/QC protocols. Audits of the assaying labs are performed occasionally.

Drill and mine samples are handled and transported only by Perkoa personnel or contractors. Core samples are conveyed to Ouagadougou by Perkoa transportation personnel. Pulp sample transport is the responsibility of SGS / ALS who rely on commercial carriers. Assay results are sent electronically to the Drill Database Administrator.

For disclosure purposes, a 5% zinc cut-off grade is used for calculation of composite intervals.

Mineral Processing and Metallurgical Testing

The Perkoa deposit is amenable to conventional sulphide flotation, as determined by lab scale testing conducted in 1987, 1998 and 2005 by prior operators prior to mine construction. The main sulphide constituents are sphalerite, pyrite, pyrrhotite and barite with trace quantities of quartz, chlorite and muscovite. The silicates are liberated from the sulphides at a coarse crush size. The sphalerite is liberated from the iron sulphides at a relatively coarse grind of 65% passing 75 microns.

Based on Bond Work Index test work conducted as part of the 2005 Perkoa BFS, the orebody can be classified as soft, with the mining waste being harder. Variability testwork has shown that some areas within the orebody respond better to flotation than others; however, the relative proportions of "good" and "poor" ores has not been quantified. Test work was based on the entire bulk composite that was made up from the samples and included these poor response ores and therefore reflects an "average" response.

In the 2005 Perkoa BFS, the flotation response of the ore was generally good and a simple rougher stage is required to make good zinc recoveries greater than 95% at concentrate grades greater than 50% zinc. It is, however, necessary to have a relatively low percentage solids in the slurry fed to the flotation plant to minimize the interaction of gangue with the fast floating sphalerite.

Test work completed in 2017 at XPS Materials Testing Laboratory in Sudbury, Ontario, indicates that iron sulphide zonation within the orebody and specifically areas with an increased pyrrhotite content can negatively impact recovery and concentrate grade. Future work will focus on enhanced geological modeling of these areas in order to aid mine scheduling in order to minimize any potential impacts on plant performance.

Mineral Reserve and Mineral Resource Estimates

Block model quantities and grade estimates for the Perkoa Mine were classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves.

The table below shows the Mineral Resource Estimates for the Perkoa Mine as of December 31, 2016.

| Category | Quantity (Mt) | Grade | Metal |
|-------------------------------|------------------|-------------|-----------------|
| | | Zn (%) | Zn (M lbs) |
| Measured | 3.04 | 15.5 | 1037.9 |
| Indicated | 1.22 | 12.4 | 333 |
| Measured and Indicated | 4.26 | 14.6 | 1,370.40 |
| Inferred | 1.64 | 12.9 | 465.2 |

* Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate.

** Mineral resources are reported at a cut-off grade of 5% Zn equivalent.

The table below shows the Mineral Reserve Estimates for the Perkoa Mine as of December 31, 2016.

| Category | Quantity (Mt) | Grade | Metal |
|----------------------------|------------------|-------------|---------------|
| | | Zn (%) | Zn (M lbs) |
| Proven | 1.7 | 15.8 | 592.9 |
| Probable | 0.78 | 13.7 | 236.7 |
| Proven and Probable | 2.48 | 15.1 | 829.6 |

* Mineral reserves are estimated at various Net Smelter Return (NSR) cut off values depending on required development. All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate.

** Mineral reserves are estimated using average consensus forecast long term prices of US\$0.99 per pound for Zn, and exchange rate of a €US\$1.11.

Mining Operations

The Perkoa Mine is an underground operation; however, a small open pit was mined to reach near surface material during initial start-up to increase plant throughput as the underground mine ramped up production. The open pit was

closed in early 2014. For the underground mine, the mining operations are carried out by a mining contractor, which supplies manpower and equipment. Nantou Mining personnel provide geological and engineering services.

Longhole stoping is being used as the primary extraction method. There are several variations on this mining method employed such as longitudinal and transverse, with both bottom-up and top-down mining sequences. The exact method chosen is dependent on the orebody geometry. Stopes are backfilled either with cemented rock fill (CRF) or waste rock.

Longitudinal bottom-up stoping has been used above 190 level. Due to the orebody width and mine sequencing, stopes between the 190 level and the 280 level are mined using the transverse method with primary and secondary stopes, with some longitudinal retreat mining occurring at the extremities of the orebody. Most of the primary stopes above the 280 level have been mined out with the majority of the remaining ore to be mined as secondary stopes. A recoverable sill pillar is being established on 310 level in order to be able to convert the mining below 310 level to a longitudinal retreat method, which is expected to reduce the amount of development required. As well, a higher percentage of waste backfill instead of CRF can be used with this method, which is expected to lower the mining cost. Bottom-up mining will be utilized between the 340 level and the 430 level and top-down longitudinal retreat will be utilized between the 460 level and the 520 level.

The current limit of the Proven and Probable Mineral Reserves is at the 460 level. The majority of the stopes between 460 and 520 levels are in a portion of the orebody that is classified as a combination of both Measured and Indicated Mineral Resource. Drilling to upgrade the Northern portion of the Indicated Resources is already completed, but awaiting assay results. The Southern portion between 460 and 520 levels requires further infill drilling to upgrade the Mineral Resource.

Processing and Recovery Operations

The process plant at Perkoa is a conventional sulphide flotation plant capable of processing ore at a rate between 1,800 and 2,000 tonnes per day. The process plant includes crushing, screening, and grinding, followed by zinc flotation and filtering to produce a zinc concentrate. The process plant originally included a lead recovery circuit, which has been reconfigured to increase capacity in the zinc recovery circuit due to higher zinc head grades. Zinc concentrates are trucked 1,200 kilometres to the port of Abidjan, Côte d'Ivoire, for shipping to Europe under a life of mine off-take agreement with Glencore.

Since 2015, Nantou Mining has carried out a number of improvements to the processing plant including: improved process control system – auto cell level control and airflows; improved reagent dosing controls; improved operator knowledge base (basic training); removal of commissioning and engineering deficiencies; improved water consumption monitoring; improved water balance and discharge tracking management; and improved tailings deposition and monitoring and improved power supply stability.

Furthermore several continuous improvement initiatives have been implemented including commissioning of the metallurgical laboratory; improved Courier on-stream analyzer reliability; flowsheet development to increase cleaner concentrate to final product and options to change rougher concentrates with high Zn feed grades. An important performance improvement was the Commissioning of regrind mill in October 2017 with required circuit changes to incorporate the Regrind mill feed and product.

Nantou is looking at improving the mill feed by changing the cut size of the material from the Screen for the fine ore stockpile. We are monitoring the cyclone performance to help maintain the grind size and efficiency. Flocculant addition to the tailing thickener is under consideration to assist with clean process water for the plant.

During the five previous years of operation (from 2013 to 2017), the process plant has historically produced a zinc concentrate in the range of 50% to 53% zinc from head grades ranging from 6.3% zinc (open pit ore) to 15.0% zinc (underground ore). Recovery of zinc has been in the range of 89.3% to 96.7%.

Infrastructure, Permitting and Compliance Activities

The Perkoa Mine is located approximately 120 kilometres west of the capital city of Ouagadougou, Burkina Faso, or

about 35 kilometres northwest of Koudougou, the country's third largest town, and is linked by road to the neighbouring states of Mali, Côte d'Ivoire, Ghana, Niger, Benin, and Togo by paved roads and by rail to Abidjan, the capital of Côte d'Ivoire.

Existing surface and underground infrastructure at the Perkoa includes an 1,800 to 2,000 tonne per day process plant, a tailings storage facility, a decline and a series of ramp-connected levels, a laboratory, and various administrative, workshop, and warehouse buildings. Power for all areas of the mine, is from diesel generators, as the supply of power from the national grid is unreliable. Water is supplied by a pipeline from a dam at Seboun, approximately 18 kilometres to the northeast of the mine. Security fencing and access control prevents inadvertent access onto the property and enhances safety.

The Perkoa Mine has a HSEC Policy (2014) outlining its commitment to the protection and preservation of the environment as well as procedures aligned to the requirements of applicable Burkina Faso legislation. These commitments are then implemented and managed through a HSEC system, which is aligned to the principles of ISO 14001:2004 Environmental Management System.

The approved environmental management plan (“EMP”) is integral to the environmental and social impact assessment (“ESIA”) and provides the framework for the Perkoa Mine’s environmental management. The EMP, based on the results of specialist studies, outline mitigation measures, including monitoring programmes, to reduce and manage negative impacts to the physical and social environment. Environmental audits must be carried out in accordance with the provisions of Article 4 of Decree No. 2015-10000 / PRES-TRANS / PM / MERH / MME / MICA / MS / MIDT / MCT of October 28, 2015 laying down detailed rules for carrying out environmental audits. As per these requirements, regular monitoring and evaluation of environmental performance through compliance audits is undertaken by BUMIGEB.

The Perkoa Mine has areas of waste disposal including Tailings Storage Facilities, waste treatment facilities, a scats stockpile, and generates both general and hazardous waste. The mine currently has a tailings pond licensed by the Ministry of Environment that comprises three areas. At the present stage of development of mine activities, the first phase cell has been filled and is ready for closure and rehabilitation, the second cells is expected to be filled by early 2018 as it is near to its designed storage capacity, while the third cell has been constructed and is ready to be filled. The third cell is planned to be in operation to early 2020. During 2019 the fourth extension is planned to be constructed.

In 2018 there is an update study planned for the closure plan that will include a more detailed assessment of any Acid Rock Drainage potential that might remain on closure. Testwork on the materials required and the method of closure of the first Tailings cell is in progress and it is planned that any waste material on surface will be used and deposited as part of the Tailings closure strategy. The 2018 study will provide an updated and more detailed rehabilitation plan and accurate closure liability costing.

In terms of corporate social responsibility, projects are consistent with those as required by the EMP. Between 2013 and 2017, social expenses, including compensation for displaced graves and structures, construction of replacement houses, Perkoa Health and Social Promotion Centre, community boreholes, and a literacy program, amounted to about \$1.5 million. The Perkoa Mine has a procedure in place for publicizing recruitment, signed by Nantou Mining and the Youth Committee on June 12, 2015, to use only local unskilled labour and to favour local labour if qualification is required.

Stakeholder management is managed on site by the implementation of a tripartite committee, comprised of representatives from Nantou Mining, the local community, and the government.

Effective January 1, 2018, Nantou is required to contribute 1% of revenue to a Mining Fund for Local Community Development. The decree describes the mechanism to monitor the expenditure on both the Local and National level.

The National HIV/AIDS infection rate for Burkina Faso is approximately 1.8%, whereas in the local area of Perkoa, the infection rate is approximately 2.3%. A request was received in June 2016 from a local committee for HIV/AIDS prevention for funding from Nantou Mining for an HIV/AIDS prevention program in the mine’s

surrounding communities. The mine is actively involved in the prevention of HIV/AIDS and was presented with an award for “Significant Contribution to Community HIV/AIDS Program”.

Of concern, is the threat of malaria to the employees and contractors working at the mine. Although strict controls are put in place, there were 413 cases of malaria recorded in 2016 and 357 in 2017. In 2017, there were a total of 31 work days lost due to malaria. Training and awareness programs are being implemented and extended beyond employees as infections may be occurring out of the mine workplace or camp site.

Capital and Operating Costs

Actual results for 2017 and guidance for 2018 production, operating costs and capital are summarized below on a 100% basis:

| | | 2017 ¹ | 2018 Guidance |
|--------------------------|-------------------|-------------------|-----------------|
| Payable Production | | | |
| Zinc | (million pounds) | 62.7 | 155 – 165 |
| Site Cash Operating Cost | (\$/lb Zn) | \$0.38 | \$0.45 – \$0.54 |
| Site Cash Operating Cost | (\$/tonne milled) | \$120.9 | \$103 – \$113 |
| Sustaining Capital | (\$millions) | \$16 | \$10.5 |

1. 2017 reflects October to December production only. See “Preliminary Notes – Non-IFRS Measures”. Detailed reconciliations of the non-IFRS measures to measures under IFRS for the years ended December 31, 2017, 2016, 2015, and 2014 may be found in the Company’s MD&A for the years ended December 31, 2017, 2016 and 2015.

Perkoa Mine 2018 Outlook

The 2018 production guidance estimate for the Perkoa Mine, based upon 100% ownership, is:

- 155 to 165 million payable pounds of zinc.

Recoveries are expected to average 92.5% and zinc concentrates are expected to have an average grade of 52% zinc. Site cash operating costs are estimated to average \$103 to \$113 per tonne milled.

RISK FACTORS

The financing, exploration, development and mining of any of the Material Properties is subject to a number of risk factors. The following is a discussion of risk factors relevant to the Company’s operations and future financial performance. Any one of such risk factors could cause actual events to differ materially from those described in forward-looking statements relating to the Company. Additional risks not currently known by the Company, or that the Company currently deems immaterial, may also impair the Company’s operations. Investors should carefully consider the risks and uncertainties described below.

Commodity, Market and Currency Risk

The volatility of the price of zinc, lead, silver and other metals could have a negative impact on the Company’s future operations.

The Company’s principal products are zinc, lead, and silver with minor gold and copper production. Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will continue for the sale of the metals produced. The price of the Common Shares, the Company’s financial results and exploration, and the Company’s development and mining activities in the future may be materially adversely affected by declines in the price of zinc, lead, silver, gold and copper. Zinc, lead, silver, gold and copper prices fluctuate widely and are affected by numerous factors beyond the Company’s control, such as the sale or purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major metals-producing and metals-consuming countries throughout the world. The prices of zinc, lead, silver, gold and copper have fluctuated widely in recent years, and

future price declines could cause continued development of and commercial production from the properties to be uneconomic or result in the write-off of assets whose value is impaired as a result of low metal prices.

Decreases in commodity prices could negatively impact the Company's Mineral Reserve calculations and feasibility of the Company's projects.

If Mineral Reserve calculations and life-of-mine plans are required to be revised using significantly lower zinc, lead, silver, gold and copper prices, as a result of a decrease in commodity prices, this could result in material write-downs of the Company's investment in mining properties and increased reclamation and closure charges.

In addition to adversely affecting the Company's Mineral Reserve and Mineral Resource estimates and financial condition, declining metal prices can impact operations by requiring a reassessment of the feasibility of a particular project. As a result of any reassessment, the Company may determine that it is not feasible to continue commercial production at some or all of its current projects. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays and/or may interrupt operations until the reassessment can be completed, which may have a material adverse effect on the results of operations and financial condition.

The Company's hedging program may be unsuccessful in reducing the price risk associated with fluctuations in base metals or foreign currencies.

From time to time the Company may engage in commodity hedging transactions intended to reduce the risk associated with fluctuations in commodity prices, but there is no assurance that any such commodity-hedging transactions designed to reduce the risk associated with fluctuations in metal prices will be successful. Hedging may not protect adequately against declines in the price of the hedged metal. Furthermore, although hedging may protect the Company from a decline in the price of the metal being hedged, it may also prevent it from benefiting from price increases.

In addition, from time to time, the Company may engage in foreign exchange hedging transactions intended to reduce the risk associated with fluctuations in foreign exchange rates, but there is no assurance that any such hedging transactions designed to reduce the risk associated with fluctuations in exchange rates will be successful and as such, operating costs and capital expenditures may be adversely impacted.

The Company's activities expose it to a variety of financial risks including interest rate risk, credit risk, and liquidity risk. The Company's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company may use derivative financial instruments to hedge certain risk exposures. The Company does not purchase derivative financial instruments for speculative investment purposes.

Smelter charges for the Company's concentrates are based upon international benchmarks that may adversely affect operating costs.

The Company has life-of-mine concentrate off-take agreements with Glencore, a leading miner and commodity trader, for all concentrates produced at its Santander, Caribou, Rosh Pinah, and Perkoa mines at International Benchmark terms. Glencore also holds a right of first refusal for any future concentrate sales from Halfmile-Stratmat, Gergarub and Heath Steele properties. International Benchmark terms are based on average on London Metal Exchange (LME) pricing for any given shipping period and smelter treatment and refining charges based upon annual negotiations between third party smelting and mining groups, which are beyond the Company's control. Changes in metal prices and smelters' charges can have a material adverse impact on the Company's operating costs, making the Company's mines less profitable.

The Company is subject to currency fluctuations that may adversely affect its financial position.

The Company is subject to currency risks. The Company's functional currency is the US dollar, and its mining operations and interests are located in Canada, Perú, Burkina Faso, and Namibia, with additional development stage assets in Canada and Namibia. Zinc, lead, silver, gold and copper are sold in US dollars and the Company's costs

are incurred principally in US dollars, Canadian dollars, Peruvian sols, Namibian dollars, South African rands, West African CFA francs, and Euros. The appreciation of non-US dollar currencies against the US dollar can increase the cost of zinc, lead, silver, gold and copper production and capital expenditures in US dollar terms. The Company also holds cash and cash equivalents that are denominated in foreign currencies that are subject to currency risk. Accounts receivable and other current and non-current assets denominated in foreign currencies relate to goods and services taxes, income taxes, value-added taxes and insurance receivables. The Company is further exposed to currency risk through non-monetary assets and liabilities of entities whose taxable profit or tax loss are denominated in foreign currencies.

Financial, Finance and Tax Risks

Global economic conditions may adversely affect the Company's growth and profitability.

Global markets continue to experience a high level of price and volume volatility. Many industries, including the precious metals mining industry, have been and continue to be impacted by these market conditions. Some of the key impacts of these conditions include contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market confidence and liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including, but not limited to, sovereign debt and government solvency conditions, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's growth and profitability. Specifically: the global credit/liquidity crisis could impact the cost and availability of financing and the Company's overall liquidity; volatility of gold and silver prices would impact the Company's revenues, profits, losses and cash flow; continued recessionary pressures could adversely impact demand for the Company's production and, conversely, inflationary pressures would impact the Company's production costs; volatile energy, commodity and consumables prices and currency exchange rates would impact the Company's production costs; and the devaluation and volatility of global stock markets would impact the valuation of the Company's equity and other securities. These factors could have a material adverse effect on the Company's financial condition and results of operations.

There are inflation-related risks in emerging markets.

The Company's activities and results of operations may also be adversely affected by the effects of rapid inflation in the general price level of goods and services in emerging markets. Perú, Namibian and Burkina Faso have experienced fluctuating rates of inflation for many years. There can be no assurance that any governmental action will be taken to control inflationary or deflationary situations or that any such action will be effective. Future governmental action may trigger inflationary or deflationary cycles or otherwise contribute to economic uncertainty. Additionally, changes in inflation or deflation rates and governmental actions taken in response to such changes may affect currency values. Any such events or changes could have a material adverse effect on the Company's results of operations and financial condition.

The Company's term credit facility contains a number of restrictive covenants that impose significant operating and financial restrictions on the Company and may limit its ability to engage in acts that may be in the Company's long-term best interest.

As of December 31, 2017, the Company had aggregate consolidated indebtedness of \$148.4 million under its credit facility. The terms of the credit facility require the Company to satisfy various affirmative and negative covenants and to meet certain financial ratios and tests. The covenants include, without limitation, restrictions on its ability to: incur additional indebtedness; pay dividends or make other distributions or repurchase or redeem its capital stock; prepay, redeem or repurchase certain debt; make loans and investments; sell, transfer or otherwise dispose of assets; incur or permit to exist certain liens; enter into transactions with affiliates; enter into agreements restricting its subsidiaries' ability to pay dividends; and, consolidate, amalgamate, merge or sell all or substantially all of the Company's assets. The Company can provide no assurances that in the future, it will not be limited in its ability to respond to changes in its business or competitive activities or be restricted in its ability to engage in mergers, acquisitions or dispositions of assets. The Company's failure to comply with covenants in its credit facility could result in an event of default that, if not cured or waived, could result in a cross-default under other debt instruments

and the acceleration of all its debt. Furthermore, a failure to comply with these covenants could materially and adversely affect the Company's business, financial condition and results of operations and its ability to meet its payment obligations under its debt, and the price of the Common Shares.

The Company's ability to raise funds through the issuance of debt instruments could be adversely impacted by the credit rating of the Company's existing debt.

The Company's debt currently has a non-investment grade rating, and any rating assigned could be lowered or withdrawn entirely by a rating agency, if, in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. Any future lowering of the Company's ratings likely would make it more difficult or more expensive for it to obtain additional debt financing, which may have a material adverse effect on the Company.

The Company will require additional capital to develop the Halfmile-Stratmat Project.

If a positive production decision is made for the Halfmile-Stratmat Project, the Company will be required to raise additional capital to develop the Halfmile-Stratmat Mine. Failure to obtain sufficient capital could delay or indefinitely postpone further exploration, development, and production on any, or all, of the properties. There is a risk that sufficient financing will not be available on a timely basis or on acceptable terms to the Company. Management believes that financing options will continue to be available to enable the Company to proceed with its exploration and evaluation of the Halfmile-Stratmat Project.

The Company is exposed to liquidity risk through the excess of financial obligations due over available assets at any point in time.

As at December 31, 2017, the Company had an unrestricted cash balance of \$94.1 million and working capital of \$144 million. Based on the anticipated cash flows from Santander, Caribou, Perkoa, and Rosh Pinah, the Company is expected to have sufficient resources to meet its committed expenditures for the next twelve months. However, additional funds may be required should commodity prices weaken beyond current levels or the U.S. dollar depreciates significantly. See "Commodity, Market and Currency Risk" as risk factors elsewhere in this AIF.

There are a number of risks which may have a direct impact on the Company's potential revenue stream, including: (i) potential for delays in development activities; (ii) risks related to the inherent uncertainty of production and cost estimates, and the potential for unexpected costs and expenses; and (iii) risks related to commodity price, smelting and refining charges and foreign exchange rate fluctuations. In the future, the Company's ability to continue its development activities depends primarily on the Company's ability to commence and continue operations to generate revenues or to obtain financing through joint ventures, debt financing, equity financing, production sharing arrangements, sale of assets or some combination of these or other means. There can be no assurance that any such arrangements will be concluded and the associated funding obtained. There can be no assurance that the Company will generate sufficient revenues to meet its obligations as they become due or will obtain necessary financing on acceptable terms, if at all. The failure of the Company to meet its on-going obligations on a timely basis will likely result in the loss or substantial dilution of the Company's interests (as existing or as proposed to be acquired) in its properties. Should the Company incur significant losses in future periods, it may be unable to continue as a going concern, and realization of assets and settlement of liabilities in other than the normal course of business may be at amounts significantly different from those reflected in its current financial statements.

The Company may not be able to obtain the external financing necessary to continue its exploration and development activities on its properties.

The ability of the Company to continue the exploration and development of its property interests may be dependent upon its ability to maintain or increase revenues from its existing production and planned expansions, and potentially raise significant additional financing thereafter. The sources of external financing that the Company may use for these purposes may include project debt, joint ventures, production sharing arrangements, sale of assets, corporate debt, or equity offerings, or some combination of these or other means. There is no assurance that the financing alternative chosen by the Company will be available to the Company, on favourable terms or at all. Depending on the alternative chosen, the Company may have less control over the management of its projects. There

is no assurance that the Company will successfully increase revenues from existing and expanded production. Should the Company not be able to obtain such financing and increase its revenues, it may become unable to acquire and retain its exploration properties and carry out exploration and development on such properties, and its title interests in such properties may be adversely affected or lost entirely.

In order to finance future operations, the Company may raise funds through the issuance of shares or the issuance of debt instruments or other securities convertible into shares.

The Company cannot predict the potential need or size of future issuances of Common Shares or the issuance of debt instruments or other securities convertible into shares or the effect, if any, that this would have on the market price of the Common Shares. The financing alternative chosen by the Company may not be available to it on acceptable terms, or at all. If additional financing is not available, the Company may have to postpone the development of, or sell, one or more of its properties. Any transaction involving the issuance of shares, or securities convertible into shares, could result in dilution, possibly substantial, to present and prospective security holders.

The Company is subject to taxation in multiple jurisdictions and changes to the taxation laws of such jurisdictions could have a material adverse effect on its profitability.

The Company has operations and conducts business in multiple jurisdictions and it is subject to the taxation laws of those jurisdictions. The Company may be subject to review, audit, and assessment in the ordinary course, the outcome of which could result in penalties imposed or higher taxes being payable, any of which could have a material adverse effect on the Company. These taxation laws are complicated and subject to change. The introduction of new tax laws, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations or rules in any of the countries in which the Company's operations or business is located, could result in an increase in the Company's taxes, or other governmental charges, duties or impositions, or an unreasonable delay in the refund of certain taxes owing to the Company. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Taxes may also adversely affect the Company's ability to repatriate earnings and otherwise deploy its assets.

Exchange controls may restrict the Company's ability to repatriate earnings.

Namibia is part of the South African Rand Common Monetary Area ("CMA"). Exchange controls in the CMA require that dividends, loans, repayment of loans and payment of all invoices to parties outside the CMA by companies registered in the CMA receive prior approval. The controls, as they relate to Namibia, are applied by the Bank of Namibia. There can be no assurance that the Company will obtain the requisite approvals in the future to repay loans or pay invoices to parties outside the CMA, including the Company's subsidiaries not resident in the CMA. Thus, exchange controls may restrict the Company from repatriating funds and using those funds for other purposes.

Production, Mining and Operating Risks

Changes in the Company's production outlook will have an effect on the Company's cash flow from operations.

A decrease in the amount of, or a change in the timing of the production outlook for, or in the prices realized for, metals of the Company, particularly in relation to the production of zinc, lead and silver, will directly affect the amount and timing of the Company's cash flow from operations. The actual effect of such a decrease on the Company's cash flow from operations would depend on the timing of any changes in production and on actual prices and costs. Any change in the timing of these projected cash flows that would occur due to production shortfalls, delays in receiving permits, delays in construction, delays in commissioning the mines or labour disruptions would, in turn, result in delays in receipt of such cash flows and in using such cash to fund capital expenditures, including capital for the Company's development projects, in the future. Any such financing requirements could adversely affect the Company's ability to access capital markets in the future to meet any external financing requirements or increase its debt financing costs.

There can be no assurance that the Company will generate sufficient revenues to meet its obligations as they become

due or will obtain necessary financing on acceptable terms, if at all. The failure of the Company to meet its on-going obligations on a timely basis will likely result in the loss or substantial dilution of the Company's interests (as existing or as proposed to be acquired) in its properties.

The Company is focused in a single industry, and expects to continue to be dependent on four mines for all of its commercial production.

The Company is concentrated in the zinc mining industry, and accordingly, its profitability is most sensitive to changes in the overall condition of this industry. Furthermore, the Santander Mine, the Caribou Mine, the Perkoa Mine and the Rosh Pinah Mine accounted for all of the Company's commercial production in 2017 and are expected to account for all of the Company's commercial production in the near term. Any adverse condition affecting mining, processing conditions, expansion plans, or ongoing permitting activities at these operations could have a material adverse effect on the Company's financial performance and results of operations.

Recently opened mines may never reach full production, which would have an adverse effect on the Company's cash flows and results of operations.

The Santander Mine achieved "commercial production" in 2014 and Caribou Mine achieved "commercial production" on July 1, 2016. Accordingly, the sale of concentrates from Santander and Caribou mines have, and continues, to contribute operating cash flow. Recently opened mines are subject to risks associated with new mine development, including delays in existing operations, change in Mineral Reserve or Mineral Resource estimations, and increased understanding of the geological model of the deposit. The Company did not base its production decisions at Santander or Caribou (which are both in commercial production) on a feasibility study of Mineral Reserves demonstrating economic and technical viability and, as a result, the Company may be faced with increased uncertainty of achieving any particular level of recovery of minerals or the cost of such recovery, including risks associated with developing a commercially mineable deposit. At the Santander Mine, the Company has subsequently established Mineral Reserves (March 2017). Historically, such projects have a much higher risk of economic and technical failure. Also, there is no guarantee that anticipated production costs will be achieved. Failure to achieve production targets would have a material adverse impact on the Company's ability to generate revenue and cash flow to fund its operations.

Financial projections rely on estimates of future production that may not be reliable and could have a negative impact on the Company's future cash flows, business, results of operations and financial condition.

The Company prepares estimates of future production for its operating mines, and any such information is forward-looking. The Company cannot give any assurance that it will achieve its production estimates. These production estimates are dependent on, among other things, the accuracy of Mineral Reserve and Mineral Resource estimates, the accuracy of assumptions regarding ore grades and recovery rates, ground conditions, physical characteristics of ores, such as hardness and the presence or absence of particular metallurgical characteristics, and the accuracy of estimated rates and costs of mining and processing. The failure of the Company to achieve its production estimates could have a material and adverse effect on future cash flows, profitability, results of operations, and financial condition.

The level of production, capital and operating cost estimates relating to development projects for determining and obtaining financing and other purposes, are based on certain assumptions and are inherently subject to significant uncertainty. Actual results for the Company's projects will differ from current estimates and assumptions, and these differences may be material. In addition, experience from actual mining or processing operations may identify new or unexpected conditions that could reduce production below, or increase capital or operating costs above, current estimates. If actual results are less favourable than currently estimated, the Company's business, results of operations, financial condition and liquidity could be materially adversely affected.

The Company's actual production may vary from its estimates for a variety of reasons, including: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades from those planned; mine failures, slope failures or equipment failures; industrial accidents; natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes; encountering unusual or unexpected

geological conditions; changes in power costs and potential power shortages; shortages of principal supplies needed for operation, including explosives, fuels, chemical reagents, water, equipment parts and lubricants; labour shortages or strikes; civil disobedience and protests; and restrictions or regulations imposed by government agencies or other changes in the regulatory environments. Such occurrences could result in damage to mineral properties, interruptions in production, injury or death to persons, damage to property of the Company or others, monetary losses and legal liabilities. These factors may cause a mineral deposit that has been mined profitably in the past to become unprofitable, forcing the Company to cease production. It is not unusual in new mining operations to experience unexpected problems during the start-up phase. Depending on the price of zinc, lead, silver or other minerals, the Company may determine that it is impractical to commence or, if commenced, to continue commercial production at a particular site.

Shortages, or increases in prices, of energy and other consumables can adversely affect the Company's results of operations.

The Company is dependent on various commodities (such as diesel fuel, electricity, steel, and concrete), labour and equipment (including parts) to conduct its mining operations and development projects. A shortage of such input commodities, labour or equipment or a significant increase of their cost could have a material adverse effect on the Company's ability to carry out its operations and therefore limit, or increase the cost of production.

The Company is also dependent on access to and supply of water and electricity to carry out its mining operations, and such access and supply may not be readily available. Market prices of input commodities can be subject to volatile price movements which can be material, occur over short periods of time and are affected by factors that are beyond the Company's control, including global and regional supply and demand, political and economic conditions, and applicable regulatory regimes. An increase in the cost, or decrease in the availability, of input commodities, labour or equipment may affect the timely conduct and cost of the Company's operations and development projects. If the costs of certain input commodities consumed or otherwise used in connection with the Company's operations and development projects were to increase significantly, and remain at such levels for a substantial period, the Company may determine that it is not economically feasible to continue commercial production at some or all of its operations or the development of some or all of its current projects, which could have an adverse impact on the Company's financial performance and results of operations.

Risks and costs relating to development, ongoing construction and changes to existing mining operations and development projects.

The Company's ability to meet development and production schedules and cost estimates for its development and expansion projects cannot be assured. Without limiting the generality of the foregoing, the Company is in the process of completing a ramp-up at the Caribou Mine. In addition, the Company is undertaking permitting efforts with respect to expanded tailings dam facilities at the Perkoa Mine and the Santander Mine. Technical considerations, delays in obtaining governmental approvals, inability to obtain financing or other factors, including specifically to the foregoing, could cause delays in current mining operations or in developing properties. Such delays could materially affect the financial performance of the Company.

Failure to achieve estimates or material increases in costs could have an adverse impact on future cash flows, business, results of operations and financial condition.

The Company prepares estimates of cash costs and capital costs of production for each of its operations. As a result of the substantial expenditures involved in the development of mineral projects and the fluctuation of costs over time, development projects and operating mines may be prone to material cost overruns. The Company's actual costs may vary from estimates for a variety of reasons, including: short-term operating factors; revisions to mine plans; risks and hazards associated with mining; natural phenomena, such as inclement weather conditions, water availability, floods, and earthquakes; and unexpected labour issues, labour shortages, strikes or community blockades. Operational costs may also be affected by a variety of factors, including: changing waste-to-ore ratios, ore grade metallurgy, labour costs, cost of commodities, general inflationary pressures and currency exchange rates. Many of these factors are beyond the Company's control. No assurance can be given that such estimates will be achieved.

Furthermore, delays in the construction and commissioning of mining projects or other technical difficulties may result in even further capital expenditures being required. Any delay in the development of a project, or cost overruns or operational difficulties once the project is fully developed, may have a material adverse effect on the Company's business, results of operations and financial condition.

Development projects are uncertain and it is possible that actual capital and operating costs and economic returns will differ significantly from those estimated for a project prior to production.

The Company's Halfmile-Stratmat project is a development stage project in Canada. Mine development projects require significant expenditures during the development phase before production is possible. Development projects are subject to the completion of successful feasibility studies and environmental assessments, issuance of necessary governmental permits and availability of adequate financing. The economic feasibility of development projects is based on many factors such as: estimation of Mineral Reserves; anticipated metallurgical recoveries; environmental considerations and permitting, future metal prices; and anticipated capital and operating costs of these projects. Unforeseen circumstances, including those related to the amount and nature of the mineralization at the development site, technological impediments to extraction and processing, legal requirements, governmental intervention, infrastructure limitations, environmental issues, disputes with local communities or other events, could result in one or more of the Company's planned developments becoming impractical or uneconomic. Any such occurrence could have an adverse impact on the Company's financial condition and results of operations. The Halfmile-Stratmat development project has no recent direct operating history upon which to base estimates of future production and cash operating costs, but operating costs from the Company's nearby Caribou Mine may be indicative of certain operating costs. Particularly for development projects, estimates of proven and probable Mineral Reserves and cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates of metals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual capital and operating costs and economic returns will differ significantly from those currently estimated for a project prior to production.

Any of the following events, among others, could affect the profitability or economic feasibility of a project: unanticipated changes in grade and tonnes of ore to be mined and processed, unanticipated adverse geological conditions, unanticipated metallurgical recovery problems, incorrect data on which engineering assumptions are made, availability of labour, costs of processing and refining facilities, availability of economic sources of power, adequacy of water supply, availability of surface on which to locate processing and refining facilities, adequate access to the site, unanticipated transportation costs, government regulations (including regulations with respect to the environment, prices, royalties, duties, taxes, permitting, restrictions on production, and quotas on exportation of minerals), fluctuations in metal prices, and accidents, labour actions, and force majeure events.

It is not unusual in new mining operations to experience unexpected problems during the start-up phase, and delays can often occur at the start of production. It is likely that actual results for the Company's projects will differ from current estimates and assumptions, and these differences may be material. In addition, experience from actual mining or processing operations may identify new or unexpected conditions that could reduce production below, or increase capital or operating costs above, current estimates. If actual results are less favourable than currently estimated, the Company's business, results of operations, financial condition, and liquidity could be materially adversely affected.

The Company may be unable to maintain or increase annual production.

Although the Company's activities are primarily directed towards mining operations, its activities also include the exploration for, and development of, mineral deposits. The Company must continually replace and expand Mineral Reserves depleted by production to maintain production levels over the long term. The Company's ability to maintain or expand production will depend on its ability to expand known ore bodies, locate new deposits or make acquisitions.

Material changes in Mineral Reserves and Mineral Resources, grades, production or recovery rates may affect the economic viability of projects. There is a risk that depletion of Mineral Reserves will not be offset by discoveries,

acquisitions, or the conversion of mineral resources into mineral reserves. The mineral base of Trevali's operations may decline if reserves are mined without adequate replacement and the Company may not be able to sustain production beyond the current mine lives, based on current production rates.

Exploration is highly speculative in nature. Trevali's exploration projects involve many risks and are frequently unsuccessful. Once a site with mineralization is discovered, it may take several years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. The Company can provide no assurance that it will be able to maintain or increase its annual production, bring new mines into production or expand the Mineral Reserves and Mineral Resources at existing mines.

Mineral Reserve and Mineral Resource estimates are based on interpretation and assumptions and may yield less mineral production under actual conditions than is currently estimated.

The Company's Mineral Reserve and Mineral Resource estimates are estimates only and no assurance can be given that any particular level of recovery of metals will in fact be realized. There can also be no assurance that an identified mineral deposit will ever qualify as a commercially mineable (or viable) orebody that can be economically exploited. Additionally, no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. These estimates may require adjustments or downward revisions based upon further exploration or development work or actual production experience.

Estimates of Mineral Reserves and Mineral Resources can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ dramatically from that indicated by results of drilling, sampling and other similar examinations. Short term factors relating to Mineral Reserves and Mineral Resources, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations.

Mineral Reserves and Mineral Resources are reported as general indicators of mine life. Mineral Reserves and Mineral Resources should not be interpreted as assurances of mine life or of the profitability of current or future operations. There is a degree of uncertainty attributable to the calculation and estimation of Mineral Reserves and Mineral Resources and corresponding grades being mined or dedicated to future production. Until ore is actually mined and processed, Mineral Reserves and grades must be considered as estimates only.

In addition, the quantity of Mineral Reserves and Mineral Resources may vary depending on metal prices. Extended declines in market prices for zinc, lead, silver, and copper may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material change in Mineral Reserves and Mineral Resources tonnes or grades may affect the economic viability of the Company's projects.

The Mineral Resources may not be economically developable, in which case Trevali may never recover its expenditures for exploration and/or development.

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Company prepares its Mineral Reserves and Mineral Resources estimates in accordance with Canadian disclosure requirements and NI 43-101. Mineral Resource estimates for properties that have not commenced production are based, in many instances, on limited and widely spaced drill hole information, which is not necessarily indicative of the conditions between and around drill holes. Accordingly, such Mineral Resource estimates may require revision as more drilling information becomes available or as actual production experience is gained. No assurance can be given that any part or all of Mineral Resources constitute or will be converted into Mineral Reserves.

The Company has relied upon historical data that may be inaccurate or incomplete.

The Company has relied, and the technical reports prepared in respect of the Company's various Material Properties are based, in part, upon historical data compiled by previous parties involved with the Material Properties. To the extent that any of such historical data is inaccurate or incomplete, the Company's development and exploration plans may be adversely affected and could materially adversely affect the Company's business, results of operations,

financial condition, and liquidity.

The Caribou Mine has no Proven or Probable Mineral Reserves.

The Caribou Mine has not been shown to contain proven or probable Mineral Reserves and expenditures made in the exploration of the properties may not result in discoveries of commercially recoverable quantities of ore. Most exploration projects do not result in the discovery of commercially mineable deposits of ore and there is no assurance that any mineral deposit identified will qualify as an ore body that can be economically exploited or that any particular level of recovery of silver, lead, zinc, copper or gold from discovered mineralization will in fact be realized.

SRK has completed a technical report on the Caribou Property, the Caribou PEA Report, which indicates the presence of “mineralized material”. Mineralization figures based on estimates made by geologists are inherently imprecise and depend on geological interpretation and statistical inferences drawn from drilling and sampling that may prove to be unreliable. There is no assurance that these estimates will be accurate or that proven and probable Mineral Reserves will be identified at the Caribou Mine, or any of the Company’s other properties. Even if the presence of Mineral Reserves at a project are established, the economic viability of the project may not justify further exploitation.

Legal, Permitting, Regulatory, Title and Political Risks

Failure to obtain or retain permits would adversely affect the Company’s results of operations and financial condition.

The operations of the Company require receipt and maintenance of licenses and permits from various governmental authorities. Furthermore, prior to any development on any of the properties, it must receive permits from appropriate governmental authorities. There can be no assurance that the necessary permits will be obtained; that previously issued permits will not be suspended; or that delays will not occur in connection with obtaining necessary permits, renewals or additional permits. Delays or a failure to obtain such licenses and permits, or a failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

Permits may be invalidated if such permits were not lawfully issued.

The Company requires permits and approvals from various regulatory authorities for many aspects of mine development, operation, closure and reclamation. In addition to meeting the requirements necessary to obtain such permits and approvals, they may be invalidated if the applicable regulatory authority is legally challenged that it did not lawfully issue such permits and approvals. The ability of the Company to obtain and maintain permits and approvals and to successfully develop and operate mines may be adversely affected by real or perceived impacts associated with its activities that affect the environment and human health and safety at its development projects and operations and in the surrounding communities. The real or perceived impacts of the activities of other mining companies may also adversely affect the Company’s ability to obtain and maintain permits and approvals. The Company is uncertain as to whether all necessary permits will be maintained on acceptable terms or in a timely manner.

Defects in the title could have a material and adverse effect on the Company’s results of operations and financial condition.

Although the Company has taken steps to verify the title to the mineral properties in which it has, or has a right to acquire, an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Accordingly, the properties may be subject to prior unregistered liens, agreements, transfers or claims, including indigenous land claims, and title may be affected by, among other things, undetected defects. The Company can provide no assurances that there are no title defects affecting its properties. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to the properties.

The process of acquiring exploration concessions involves an application process (which can be quite lengthy) and, until title to an exploration concession is actually granted, there can be no assurance that an exploration concession which has been applied for will be granted (especially as it is not always possible to determine if there are prior applications over the same ground) or on a timeline that the Company believes to be reasonable.

The majority of the Company's mineral assets are located outside Canada and are held indirectly through foreign affiliates.

It may be difficult if not impossible to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of the securities laws of certain provinces against substantially all of the Company's assets that are located outside Canada.

The Company's operating and development properties are located in jurisdictions that are subject to changes in economic and political conditions and regulations in those countries.

At the present time, three of the Company's four mining operations are located outside of Canada: the Santander Mine in Perú, the Rosh Pinah Mine in Namibia and the Perkoa Mine in Burkina Faso. Such operations are exposed to various levels of political, security, legal, economic, and other risks and uncertainties. Economic and political conditions in these countries could adversely affect the business activities of the Company. These conditions are beyond the Company's control, and there can be no assurances that any mitigating actions by the Company will be effective.

These risks and uncertainties vary from country to country and include, but are not limited to: terrorism; hostage-taking; crime, including organized criminal enterprise; thefts and illegal incursions on property, which illegal incursions could result in serious security and operational issues, including the endangerment of life and property; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining could result in serious environmental, social, political, security and operational issues, including the endangerment of life and property; adequacy, response and training of local law enforcement; changes to policies and regulations impacting the mining sector; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political and economic conditions in these countries may result in these governments adopting different policies with respect to foreign investment, and development and ownership of mineral resources and changing laws and regulations relating to the mining industry or shifts in political conditions may increase the costs related to the Company's activities including the cost of maintaining its properties. Any changes in such policies may result in changes in laws affecting ownership of assets, foreign investment, mining exploration and development, taxation including value added and withholding taxes, royalties, currency exchange rates, gold sales, environmental protection, labour relations, price controls, repatriation of income, and return of capital, which may affect both the ability of the Company to undertake exploration and development activities in respect of future properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate its properties. Future governments in these countries may adopt substantially different policies, which might extend to, as an example, expropriation of assets. The effect of these factors cannot be accurately predicted. Economic instability could result from current global economic conditions and could contribute to currency volatility and potential increases to income tax rates, both of which could significantly impact the Company's profitability.

The Company's activities are subject to extensive laws and regulations governing worker health and safety, employment standards, waste disposal, protection of historic and archaeological sites, mine development, protection of endangered and protected species and other matters. Regulators have broad authority to shut down and/or levy fines against facilities that do not comply with regulations or standards.

The occurrence of the various factors and uncertainties related to economic and political risks of operating in the Company's jurisdictions cannot be accurately predicted and could have a material adverse effect on its operations,

profitability, or financial condition.

There are additional political and economic risks at foreign operations.

Trevali's exploration and development activities and production operations in foreign countries, including its recently acquired African Assets in Namibia and Burkina Faso, are subject to various levels of political, economic and other risks and uncertainties that could negatively impact Trevali's operations and financial condition. These risks and uncertainties vary significantly from country to country and include, but are not limited to, the existence or possibility of terrorism; hostage taking; military repression; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of war or civil unrest; coups and counter coups; expropriation and nationalization; uncertainty as to the outcome of any litigation in foreign jurisdictions; uncertainty as to enforcement of local laws; arbitrary changes in law or policy; environmental controls and permitting; restrictions on the use of land and natural resources; renegotiation or nullification of existing government orders, concessions, licenses, permits and/or contracts; delays in obtaining permits or licences; illegal mining; sabotage, theft, robbery, vandalism, lack of civil services such as utilities (electricity and water), hospitals, ambulances, police departments and fire departments; disease and other potential endemic health issues; changes in taxation policies; difficulty obtaining key equipment or key components; restrictions on foreign exchange and repatriation; corruption; bribery; inadequate infrastructure; unstable legal systems; changing political conditions; changes in mining and social policies; opposition to mining by non-governmental organizations or environmental groups; limits on foreign ownership; child labour; child slavery; forced labour; social unrest on account of poverty or unequal income distribution; "black economic empowerment" legislation; currency controls and governmental regulations that favor or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or require equity participation by local citizens; income repatriation and capital recover; import and export restrictions; and other risks arising out of foreign sovereignty issues. The Company may also be exposed to situations or persons that may pose security threats to personnel and facilities. The occurrence of any of these events may have a material adverse effect on the Company's business, financial condition or results of operations.

Trevali's mineral exploration and mining activities may be affected in varying degrees by political instability and governmental legislation and regulations relating to foreign investment and the mining industry. In particular, Burkina Faso has experienced varying degrees of civil unrest. See "There are security risks associated with the Company's operations in Burkina Faso that may have a material adverse effect on its operations" below. Threats or instability in a country caused by political events including elections, change in government, changes in personnel or legislative bodies, foreign relations or military control present serious political and social risk and instability causing interruptions to the flow of business negotiations and influencing relationships with government officials. Changes in policy or law may have a material adverse effect on the Company's business, financial condition or results of operations.

Operations may be affected in varying degrees by: (i) government regulations with respect to, but not limited to, restrictions on production, price controls, exchange controls, export controls, currency remittance, income or other taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, local content and ownership (such as "black economic empowerment" laws), water use and mine safety; and (ii) the lack of certainty with respect to foreign legal systems, which may not be immune from the influence of political pressure, corruption or other factors that are inconsistent with the rule of law.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have a material adverse effect on the Company's business, financial condition and results of operations.

While the governments of Burkina Faso and Namibia generally considered by the Company to be mining friendly, no assurances can be provided that this will continue in the future. It is possible that a current or future government may adopt substantially different policies or take arbitrary action which might halt exploration development or production, nationalize assets or cancel contracts and/or mining and exploration rights and/or make changes in taxation treatment any of which could have a material and adverse effect on the Company's business financial

condition or results of operations.

Exposure of the Company's projects and operations to political risk comprises part of the evaluations, perceptions and sentiments of investors. An adverse change in investors' or potential investors' tolerance of political risk could have a material adverse effect on the Company. In addition, perception of political risk or foreign operations or changes and instability may make it more difficult for the Company to obtain required financing. Although Trevali believes it has good relations with each of these West African governments, there can be no assurance that the actions of present or future governments in Burkina Faso or Namibia will not materially adversely affect the Company's business, financial condition or results of operations.

Property interests and exploration activities in Namibia are subject to political, economic and other uncertainties, and situations may arise that could have a material adverse effect on the Company's business.

The Namibian economy is highly dependent on the mining sector, which, in 2016, was estimated at approximately 13% of the gross domestic product. Namibia is also highly dependent on foreign imports, including fuel. These factors make the Namibian economy particularly vulnerable to adverse commodity price fluctuations, which could have a material adverse effect on the Company's business.

In addition, Namibia is a member of the Southern African Customs Union ("SACU"), which provides for a common external tariff and guarantees free movement of goods between its member states. A high proportion of Namibia's trade is conducted with SACU members and, in its 2016 budget, the Namibian Ministry of Finance stated that a significant risk for revenue growth is the projected reduction of SACU revenue. The Namibian Government is highly dependent on SACU revenue, but Namibia's share of the SACU revenue is expected to decline in the foreseeable future, as a result of which the Namibian government may be compelled to introduce additional taxes or increase current tax rates. The introduction of additional taxes or any increase in current tax rates could have a material adverse effect on the Company.

In 2015, as amended, and in 2016, Namibia released the so-called Namibia Equitable Economic Empowerment Framework bill (the "NEEEF Bill"), which in effect proposed the transfer of up to 25% of the shares or economic interest in any business enterprise conducting business in Namibia to certain designated persons, being persons of colour, women and disabled persons. Whilst the NEEEF Bill contained various controversial provisions which may render it unconstitutional, the NEEEF Bill caused considerable uncertainty in the Namibian business community and the investor community, on account of which it is still under discussion and revision. It is not clear when, if ever, the NEEEF Bill will become law, and in any event, there would need to be regulations to be operative. As it is only a bill, it is entirely speculative at this time to determine the extent to which the NEEEF Bill would affect the Company's operations in Namibia.

In 2016, the Namibian parliament passed a new investment law termed the Namibia Investment Promotion Act, 2016, which has not yet come into force. If enacted, the Namibia Investment Promotion Act, 2016 would materially change the legal basis on which foreign investments are to be made, maintained and withdrawn from Namibia. In essence, the law provides not only for reservation of certain businesses to Namibians, but also requires the approval of the Minister of Industrialisation, Trade and SME Development prior to making an investment, when expanding an investment and when disinvesting, on a discretionary basis. The law would also abolish the recourse of foreign investors to international tribunals by requiring any disputes be exclusively dealt with under Namibian law and by the Namibian courts. If enacted, the Namibia Investment Promotion Act, 2016, may have a negative effect on investor security and new investments into Namibia. In the absence of regulations or guidelines with respect to the approval process, it is entirely at the discretion of the Minister to determine what type of foreign investments, disinvestments or changes to current investments will be allowed, and it is entirely speculative at this time to determine the extent to which the Namibia Investment Promotion Act, 2016 would affect the Company.

In Namibia, due to high levels of unemployment, and restrictive immigration policies applied by the Namibian Ministry of Home Affairs, it may be difficult for the Company to obtain employment permits for skilled personnel that may be required in exploration or mining operations. In addition, Namibia suffers from high levels of poverty. Although the Namibian government spends a significant proportion (the highest single budget amount) on education, education initiatives and programs may take time to take effect. Currently, a significant proportion of the Namibian work-force can be classified as unskilled or semi-skilled labourers, as a result of which it may be difficult

for employers to find skilled personnel for specialized tasks. Shortages of suitably qualified personnel in Namibia could have a material adverse effect on the Company's business, financial condition and results of operations.

Namibia's status as a developing country may also make it more difficult for the Company to obtain required financing for its projects. Although resource-based businesses have a long history in Namibia and to date have not been adversely impacted by unreasonable or arbitrary government action, there can be no assurance that the Company's business, operations and affairs will not be materially adversely effected by unreasonable or arbitrary applications of Namibian laws and regulations or changes in the political and economic status of Namibia.

Property interests and exploration activities in Burkina Faso are subject to political, economic and other uncertainties, and situations may arise that could have a material adverse effect on the Company's business.

As the government of Burkina Faso continues to struggle with deficits and a depressed economy, the strength of commodity prices has resulted in the mining sector being targeted as a source of revenue. The government of Burkina Faso are continually assessing and/or revising the terms under which mining companies may extract resources in their country and unilateral renegotiations by the government of Burkina Faso against one company, may affect all companies in the country. In addition, the enforcement by the Company of its legal rights to develop its properties or to utilize its permits and licenses may not be recognized by the court systems in Burkina Faso, although in certain circumstances the Company and State may agree to submit their dispute to an international court of arbitration. Burkina Faso's status as a developing country may also make it more difficult for the Company to obtain required financing for its projects.

The new mining code adopted by Burkina Faso in July 2015 introduced changes to the mining legislation, including changes affecting taxation, licensing, the requirement to pay a preferred dividend to the state, requirements for employments of local personnel or contractors and other benefits to be provided to local residents. The trend in resource nationalism could have a material adverse impact on the Company.

Furthermore, the Company requires consultants and employees to work in Burkina Faso to carry out its planned exploration and development programs. It may be difficult from time to time to find or hire qualified people in the mineral exploration industry who are situated in Burkina Faso, or to obtain all of the necessary services or expertise in Burkina Faso, or to conduct operations on its projects at reasonable rates. If qualified people and services or expertise cannot be obtained in Burkina Faso, the Company may need to seek and obtain those services from service providers located outside of Burkina Faso which could result in delays and higher costs to the Company.

There are security risks associated with the Company's operations in Burkina Faso that may have a material adverse effect on its operations.

The Perkoa Mine is located in Burkina Faso. Criminal and terrorist activities in the region, or the perception that activities are likely, may disrupt the Company's operations, hamper the Company's ability to hire and keep qualified personnel and impair the Company's access to sources of capital. As well, both the French and Canadian government authorities, respectively, have issued warnings of heightened risk of jihadist incursions from Mali in certain areas within an 80-kilometre wide zone along the western border of Burkina Faso. The Perkoa Mine is outside of this zone as it is located approximately 125 kilometres from the Malian border. Risk factors associated with conducting business in the region include risks related to personnel safety and asset security. Risks may include, but are not limited to: kidnappings of employees and contractors, exposure of employees and contractors to local crime related activity and disturbances, exposure of employees and contractors to drug trade activity, and damage or theft of Company or personal assets including any future concentrate shipments. The effect of these factors cannot be accurately predicted and may result in serious adverse consequences including personal injuries or death, property damage or theft, limiting or disrupting operations, restricting the movement of funds, impairing contractual rights, and causing the Company to suspend or shutdown operations, all of which may expose the Company to potential liabilities and could have a material adverse effect on the Company's operations, profitability, or financial condition. Such events could have a material adverse impact on the Company and make it more difficult for the Company to obtain required financing. Although the Company has developed procedures regarding these risks, due to the unpredictable nature of criminal activities, there is no assurance that the Company's efforts are able to effectively mitigate risks and safeguard personnel and Company property effectively.

The Company will be unable to undertake its required drilling and other development work on its properties if all necessary permits and licenses are not granted.

A number of approvals, licenses and permits are required for various aspects of exploration, development, and expansion projects. The Company is uncertain if all necessary permits will be maintained or obtained on acceptable terms or in a timely manner. Future changes in applicable laws and regulations or changes in their enforcement or regulatory interpretation could negatively impact current or planned exploration and development activities or any other projects with which the Company becomes involved. Any failure to comply with applicable laws and regulations or failure to obtain or maintain permits, even if inadvertent, could result in the interruption of production, exploration or development, or material fines, penalties or other liabilities. It remains uncertain if the Company's existing permits may be affected in the future or if the Company will have difficulties in obtaining all necessary permits that it requires for its proposed or existing mining activities.

In order to maintain mining licenses, exploration licenses, mining concessions and other similar mining claims in good standing, concession holders must advance their projects efficiently, including by obtaining the necessary permits prior to stipulated deadlines. The Company has implemented plans to obtain all necessary permits prior to the relevant deadlines. While the Company is confident in its ability to meet all required deadlines or milestones so as to maintain its concessions in good standing, there is risk that the relevant permitting and licensing authorities will not respond in a timely manner. If these deadlines are not met, the Company believes that extensions to deadlines for obtaining the required approvals and permits could be negotiated so that the concessions would remain in good standing. However, there is no guarantee that the Company will be able to obtain the approvals and permits as planned or, if unable to meet such deadlines, that negotiations for an extension will be successful in order to maintain its concessions in good standing. If the mining were to expire, this could have a material adverse impact on the Company and its ability to control and develop its projects.

Litigation could be brought against the Company and the resolution of legal proceedings or disputes may have a material adverse effect on the Company's future cash flows, results of operations or financial condition.

The Company could be subject to legal claims and/or complaints and disputes with other parties that result in litigation, including unexpected environmental remediation costs, arising out of the normal course of business. The results of litigation cannot be predicted with certainty. The costs of defending and settling litigation can be significant, even for claims that have no merit. There is a risk that if such claims are determined adversely to the Company, they could have a material adverse effect on the Company's financial performance, cash flow, and results of operations.

Failure of the Company to comply with laws and regulations could negatively impact current or planned mining activities and exploration and developmental activities.

The Company's mining, exploration and development activities are subject to extensive laws and regulations concerning the environment, worker health and safety, employment standards, waste disposal, mine development, mine operation, mine closure and reclamation, and other matters. Future changes in applicable laws and regulations or changes in their enforcement or regulatory interpretation could negatively affect current or planned mining, exploration and developmental activities on the projects in which the Company is, or may become, involved. Any failure to comply with applicable laws and regulations or to obtain or maintain permits, even if inadvertent, could result in the interruption of mining, exploration and developmental operations or in material fines, penalties, cleanup costs, damages, and the loss of key permits or approvals. While the Company has taken great care to ensure full compliance with its legal obligations, there can be no assurance that the Company has been, or will be, in full compliance with all of these laws and regulations, or with all permits and approvals that it is required to have.

The Company cannot guarantee that title to its properties will not be challenged.

The validity of the Company's mining claims and access rights can be uncertain and may be contested. Although the Company is satisfied it has taken reasonable measures to acquire the rights needed to undertake its operations and activities as currently conducted, some risk exists that some titles and access rights may be defective. No assurance can be given that such claims are not subject to prior unregistered agreements or interests or to undetected or other claims or interests that could be materially adverse to the Company. While the Company has used its best efforts to

ensure title to all its properties, these titles may be disputed, which could result in costly litigation or disruption of operations.

Additional future property acquisitions, relocation benefits, legal and related costs may be material. The Company cannot currently determine the expected timing, outcome of negotiations or costs associated with the relocation of the remaining property owners and possessors and potential land acquisitions. The Company may need to enter into negotiations with landowners and other groups in the host communities where the Company's projects are located in order to conduct future exploration and development work. There is no assurance that future discussions and negotiations will result in agreements with landowners or other local community groups so as to enable the Company to conduct exploration and development work on these projects.

Conflicting interests with local stakeholders may cause delays or work stoppages.

The presence of community stakeholders may also impact the Company's ability to explore, develop or operate its mining properties. In certain circumstances, consultation with such stakeholders may be required and the outcome may affect the Company's ability to explore, develop or operate its mining properties. The Company provides significant economic and social benefits to its host communities and countries, which facilitates broad stakeholder support for the Company's operations and projects. There is no guarantee that local residents will support the Company's operations or projects. If a dispute were to arise, it might result in reduced access to the properties or a delay in operations.

The Company does not have direct ownership or possession rights to use the surface of the lands for certain mineral tenures.

Although the Company acquires the rights to some or all of the minerals in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners (as with many of the Company's properties), it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry on mining activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction.

The Company has formal surface access agreements in place for its Santander, Caribou, Rosh Pinah and Perkoa properties. A formal access agreement is not currently required for its earlier stage/pre-development Halfmile-Stratmat Property. From time to time, a land possessor may dispute the Company's surface access rights, and as a result the Company may be barred from its legal occupation rights. Surface access issues have the potential to result in the delay of planned exploration programs, and these delays may be significant.

The Company's operations may be disrupted by artisanal miners.

The Company's property interests at the Perkoa Mine are held in areas of Burkina Faso that are currently being exploited by artisanal miners for gold. As Nantou Mining further explores and advances its projects, it may require the removal of any artisanal miners operating on its properties. There is a risk that such artisanal miners may oppose Nantou Mining's operations, which may result in a disruption to any planned development and/or mining and processing operations. In addition, artisanal miners have historically used chemicals that are harmful to the environment to separate the precious metals from the ore. There can be no assurance that Nantou Mining and/or the Company will not be subject to environmental liabilities resulting from such operations in the future, which could have a material adverse impact on the Company. In addition, artisanal work practices are often unsafe and accidents and/or incidents may occur on the property, and there is an added reputational risk that third parties may wish to link the activities of the artisanal miners to that of Nantou Mining and/or the Company in the event of accidents or incidents, which could have a material adverse impact on the Company.

Relationships with Key Stakeholders

The Company's current and future operations are subject to a risk that one or more groups of indigenous people may oppose continued operation, further development, or new development of the Company's projects and mines.

The Company operates in some areas presently or previously inhabited or used by indigenous peoples, triggering various international and national laws, codes, resolutions, conventions, guidelines, and imposing obligations on government and companies to respect the rights of indigenous people. These may include a mandate that government consult with communities surrounding the Company's projects and mines regarding actions affecting local stakeholders, prior to granting us mining rights, permit, amendments or authorizations. Consultation and other rights of Aboriginal people may require accommodations, including undertakings regarding employment, royalty payments and other matters. This may affect the Company's ability to acquire, within a reasonable time frame, effective mineral titles in these jurisdictions, including in some parts of Canada, in which aboriginal title is claimed, and may affect the timetable and costs of development of mineral properties in these jurisdictions. The obligations of government and private parties under the various international and national laws pertaining to indigenous people continue to evolve and be defined. There can be no assurance that the Company's relations with any indigenous group will remain amicable. If a dispute were to arise, it might result in reduced access to properties or a delay in operations. The current and future operations are subject to a risk that one or more groups of indigenous people may oppose continued operation, further development, or new development of the Company's projects or operations. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against the Company's activities. Opposition by indigenous people to the Company's operations may require modification of or preclude operation or development of the properties or may require the Company to enter into agreements with indigenous people with respect to the properties.

The Company's current and future operations are subject to First Nation rights and title.

The nature and extent of First Nation rights and title remains the subject of active debate, claims and litigation in Canada, including with respect to intergovernmental relations between First Nation authorities and federal, provincial and territorial authorities. In particular, the Company has a working relationship with the Mi'kmaq First Nation partners in New Brunswick. There can be no guarantee that claims will not cause permitting delays, unexpected interruptions or additional costs for the Company's projects. These risks may have increased after the Supreme Court of Canada decision of June 26, 2014, in *Tsilhqot'in Nation v. British Columbia* in which the Supreme Court of Canada confirmed that if a third party commences operations on land over which First Nation claim Aboriginal title, without the consent of the First Nation group, the third party may be required to cease operations and cancel the project upon establishment of Aboriginal title.

The Company's relationship with local communities may affect the Company's existing operations and development projects.

The Company's relationships with the communities in which it operates are critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Adverse publicity relating to the mining industry generated by non-governmental organizations and others could have an adverse effect on the Company's reputation or financial condition and may impact its relationship with the communities in which it operates. While the Company is committed to operating in a socially responsible manner, there is no guarantee that the Company's efforts in this regard will mitigate this potential risk.

The inability of the Company to maintain positive relationships with local communities may result in additional obstacles to permitting, increased legal challenges, or other disruptive operational issues at any of the Company's operating mines, and could have a significant adverse impact on the Company's ability to generate cash flow, with a corresponding adverse impact to the Company's share price and financial condition.

The Company's directors and officers may have interests that conflict with the Company's interests.

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures that are potential competitors of the Company. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to, and follow the procedures set out in, applicable corporate and securities legislation, regulation, rules and policies.

Exploration, development and production at the Company's mining operations are dependent upon the efforts of its key personnel.

The nature of the Company's business requires specialized skills and knowledge. The Company operates large mining operations in Canada, Perú, Burkina Faso, and Namibia that requires technical expertise in the areas of geology, engineering, mine planning, metallurgical processing, mine operations, and environmental compliance. The Company's success is heavily dependent on its key personnel and on the ability to motivate, retain and attract highly skilled employees. The Company and other companies in the mining industry compete for personnel and the Company is not always able to fill positions in a timely manner. If the Company is unable to attract and retain qualified personnel or fails to establish adequate succession planning strategies, the Company's operations could be adversely affected. The Company does not carry key-man life insurance with respect to its executives.

The business of the Company is dependent on good labour and employment relations.

Competition for skilled workers in the resource sector results in employee turnover at the Company's operations and a need to constantly recruit and train new employees. This competition for qualified employees occasionally results in workforce shortages, which can often be supplemented with more costly contract labour. Relations between the Company and its employees may be impacted by changes in labour relations which may be introduced by, among others, employee groups, unions, and the relevant governmental authorities in whose jurisdictions the Company carries on business. Changes in such legislation or otherwise in the Company's relationship with the Company's employees may result in higher ongoing labor costs, employee turnover, strikes, lockouts or other work stoppages, any of which could have a higher material adverse effect on the Company's business, results of operations and financial condition.

In addition, labour in Perú is customarily unionized and there are risks that labour unrest or wage agreements may adversely impact the Company's operations.

A portion of the workforces at the Caribou Mine and the Rosh Pinah Mine are unionized. In October 2017, the Company successfully negotiated a five year agreement with the united steelworkers union for the mill and surface hourly employees at the Caribou Mine. All underground hourly employees and site salaried employees have been engaged in the non-union workplace contracts. In January 2018, the Company successfully negotiated a three year agreement with the unionized workforce at the Rosh Pinah Mine.

The Perkoa Mine in Burkina Faso has an organized workforce and the Company has not had any issues with its workforce since acquiring such mine.

Additional groups of non-union employees may seek union representation in the future.

Rapid growth will require additional operations personnel.

In addition, the Company anticipates that as it expands its existing production and brings additional properties into production, and as the Company acquires additional mineral rights, the Company may experience significant growth in its operations. This growth may create new positions and responsibilities for management personnel and increase demands on its operating and financial systems, as well as require the hiring of a significant number of additional operations personnel. There can be no assurance that the Company will successfully meet these demands and effectively attract and retain any such additional qualified personnel. The failure to attract and retain such qualified personnel to manage growth effectively could have a material adverse effect on the Company's business, financial

condition or results of operations.

As a result of social media and other internet-based applications, companies today are at a much greater risk of losing control over how they are perceived.

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. Although the Company places a great emphasis on protecting its image and reputation, it does not ultimately have direct control over how it is perceived by others. Reputation loss may lead to increased challenges in developing and maintaining community relations, decreased investor confidence, and act as an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, cash flows, and growth prospects.

Environmental Risks

Compliance with environmental laws, including changes to such laws, could adversely affect results of operations.

The Company's exploration and production activities are subject to regulation by governmental agencies under various environmental laws. These laws address noise, emissions, water discharges, waste management, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Environmental legislation in many countries is evolving and the trend has been towards stricter standards and enforcement, increased fines, penalties and potential for facilities to be shut-down for non-compliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors, and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. There can be no assurance that future changes in environmental regulations will not adversely affect the Company's business, and it is possible that future changes in these laws or regulations could have a significant adverse impact on some portion of the Company's business, causing the Company to re-evaluate those activities at that time.

Failure to comply with such laws and regulations can have serious consequences, including damage to the Company's reputation, stopping the Company from proceeding with the development of a project, negatively impacting the operation or further development of a mine, increasing the cost of development or production and litigation and regulatory actions against the Company. The Company cannot give any assurance that, notwithstanding its precautions, breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its financial condition and its results from operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties. The Company may also acquire properties with known or undiscovered environmental risks. Any indemnification from the entity from which the Company has acquired such properties may not be adequate to pay all the fines, penalties and costs (such as cleanup and restoration costs) incurred related to such properties. Some of the Company's properties also have been used for mining and related operations for many years before acquisition and were acquired as is or with assumed environmental liabilities from previous owners or operators.

The Company's failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Production at certain of the Company's mines involves the use of various chemicals, which may be toxic material. Should toxic chemicals leak or otherwise be discharged from the containment system, the Company may become subject to liability for cleanup work that may not be insured. While appropriate steps will be taken to prevent discharges of pollutants into the ground water and the environment, the Company may become subject to liability for hazards that it may not be insured against and such liability could be material.

Actual costs of reclamation are uncertain, and higher than expected costs could negatively impact the results of operations and financial position.

Land reclamation requirements are generally imposed on mineral exploration companies (as well as companies with mining operations) in order to minimize long-term effects of land disturbance, and the Company is subject to such requirements at its mineral properties. Decommissioning liabilities include requirements to control dispersion of potentially deleterious effluents; and, reasonably re-establish pre-disturbance landforms and vegetation.

In order to carry out reclamation obligations arising from exploration and potential development activities, the Company must allocate financial resources that might otherwise be spent on further exploration and development programs. Reclamation costs are uncertain and planned expenditures may differ from the actual expenditures required. If the Company is required to carry out unanticipated reclamation work, its financial position could be adversely affected.

Problems with water sources could have a negative impact on the Company's exploration programs and operations.

A key operational risk is the availability of sufficient water supplies to support mining operations. Large volumes of water are used in the extraction and processing of minerals and metals. Conversely, other properties of the Company are located in areas that have many competing demands water and access to sufficient supplies will need to be negotiated by the Company. The Company may not be able to secure the water necessary to conduct its activities as planned. The Company will strive to ensure that its activities do not adversely impact community water sources. Future operations and activities may require that alternate water sources be provided to potentially affected communities at the Company's expense.

Water is an integral requirement for exploration, development and production facilities on mineral properties and the Company's ability to obtain a secure supply of water at a reasonable cost depends on many factors, including global and regional supply and demand, political and economic conditions, problems that can affect local supplies, delivery, and relevant regulatory regimes.

Even a temporary interruption of water could adversely affect an operation. An increase in prices could negatively affect the Company's business, financial condition and results of operations. Establishing such water infrastructure for the Company's development projects will, in any event, require significant resources, identification of adequate sources of raw materials and supplies and necessary cooperation from national and regional governments, none of which can be assured. There is no guarantee that the Company will secure water rights going forward or on terms reasonable to the Company.

The Company is subject to substantial regulation with respect to water management at the Company's mining operations.

The water collection, treatment, and disposal operations at the Company's mines are subject to substantial regulation and involve significant environmental risks. If collection or management systems fail, overflow or do not operate properly, untreated water or other contaminants could spill onto nearby properties or into nearby streams and rivers, causing damage to persons or property, injury to aquatic life and economic damages.

Environmental and regulatory authorities in the jurisdictions in which the Company operates conduct periodic or annual inspections of the Company's projects. As a result of these inspections, the Company is from time to time required to modify its water management program, complete additional monitoring work or take remedial actions with respect to the Company's operations as it pertains to water management.

Liabilities resulting from damage, regulatory orders or demands, or similar, could adversely and materially affect the Company's business, results of operations and financial condition. Moreover, in the event that the Company is deemed liable for any damage caused by overflow, the Company's losses or consequences of regulatory action might not be covered by insurance policies.

Climate Change Risks

Mining operations have a significant carbon footprint.

The Company's mining and processing operations are energy intensive, resulting in a significant carbon footprint. The Company acknowledges climate change as an international and community concern. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impacts of climate change, including the introduction or expansion of carbon emission taxes. Where legislation already exists, regulation relating to emission levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. The Company expects that in the long term this may result in increased costs at its Canadian operations. The inability to achieve required energy efficiencies could have an adverse impact on the Company's ability to achieve cost guidance.

Seasonal conditions may have an adverse effect on the Company's operations.

The Company is capable of developing and operating all of its projects year-round; however, some seasonal factors and the physical risks of climate change may also have a materially adverse effect on the Company's operations. These may include extreme weather events, changes in rainfall and storm patterns and intensities, heavy snowfall, water shortages, and changing temperatures. In particular, cold temperatures and heavy snowfall in Canada may impact the Company's ability to achieve production forecasts, including anticipated recoveries, at the Company's Caribou Mine. While the Company has taken measures to mitigate the impact of weather on its operations, severe rainfall or drought conditions could have an adverse impact on the Company's ability to achieve production forecasts.

Insurance and Compliance Risks

The Company may not have sufficient insurance coverage.

The mining industry is subject to significant risks that could result in damage to, or destruction of, mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining, monetary losses, and possible legal liability.

The Company's policies of insurance may not provide sufficient coverage for losses related to these or other risks. The Company's insurance does not cover all risks that may result in loss or damages and may not be adequate to reimburse the Company for all losses sustained. In particular, the Company does not have coverage for certain environmental losses or certain types of earthquake damage. The occurrence of losses or damage not covered by insurance could have a material and adverse effect on the Company's cash flows, results of operation, and financial condition.

The Company's business involves uninsurable risks.

In the course of exploration, development, and production of mineral properties, certain risks and, in particular, unexpected or unusual geological operating conditions, including cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

The Company's failure to strictly comply with anti-corruption laws could have a material adverse effect on the Company's reputation and results of operations.

The *Canadian Corruption of Foreign Public Officials Act* and the *U.S. Foreign Corrupt Practices Act* and anti-bribery laws in other jurisdictions, prohibit companies, and their intermediaries from making improper payments for the purposes of obtaining or retaining business or other commercial advantage. The Company's policies mandate compliance with these anti-bribery laws, which often carry substantial penalties. The Company operates in

jurisdictions that have experienced governmental and private sector corruption to some degree, and, in certain circumstances, strict compliance with anti-bribery laws may conflict with certain local customs and practices. There can be no assurances that the Company's internal control policies and procedures will always protect it from reckless or other inappropriate acts committed by the Company's affiliates, employees or agents. Violations of these laws, or allegations of such violations, could have a material adverse effect on the Company's business, financial position and results of operations.

Trevali's critical operating systems may be compromised.

Cyber threats have evolved in severity, frequency and sophistication in recent years, and target entities are no longer primarily from the financial or retail sectors. Cybersecurity risk is increasingly difficult to identify and quantify and cannot be fully mitigated because of the rapid evolving nature of the threats, targets and consequences. Persons engaging in cybercrime may target corruption of systems or data, or theft of sensitive data. While the Company invests in robust security systems to detect and block inappropriate or illegal access to the Company's key systems, including supervisory control and data acquisition operating systems at the Company's operations, and regularly reviews policies, procedures and protocols to ensure data and system integrity, there can be no assurance that critical systems will not be inadvertently or intentionally breached and compromised. This may result in business interruption losses, equipment damage, or loss of critical or sensitive information.

Mining Industry Risks

The Company is in competition with other mining companies that have greater resources and experience.

The mining industry is competitive in all of its business phases. The Company competes with numerous companies that have experience and financial resources significantly in excess of those of the Company, in the search for: (i) attractive mineral properties; (ii) qualified technical expertise, operational experience, service providers, and labour; (iii) equipment and suppliers; capital for the purpose of financing development of mineral properties. As a result of this competition, the Company may be unable to maintain or acquire attractive mining properties, recruit or retain qualified people, or acquire the capital necessary to fund its operations and develop its properties on terms it considers acceptable, or at all. Consequently, the Company's competitive disadvantages could have materially adverse effects on the Company's operations, revenues, and financial condition.

The Company may be unable to identify opportunities to grow its business, and it may be unsuccessful in integrating new businesses and assets that it may acquire in the future.

As part of the Company's business strategy, it has sought and will continue to seek new operating, development and exploration opportunities in the mining industry. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses into its business. The Company cannot provide assurance that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favorable terms, if at all, or that any acquisitions or business arrangements completed will ultimately benefit its business. Further, any acquisition the Company makes will require a significant amount of time and attention of its management, as well as resources that otherwise could be spent on the operation and development of its existing business.

Any future acquisitions would be accompanied by risks, such as a significant decline in the relevant metal price after the Company commits to complete an acquisition on certain terms; the quality of the mineral deposit acquired proving to be lower than expected; the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of its ongoing business; the inability of management to realize anticipated synergies and maximize its financial and strategic position; the failure to maintain uniform standards, controls, procedures and policies; and the potential for unknown or unanticipated liabilities associated with acquired assets and businesses, including tax, environmental or other liabilities. There can be no assurance that any business or assets acquired in the future will prove to be profitable, that the Company will be able to integrate the acquired businesses or assets successfully or that the Company will identify all potential liabilities during the course of due diligence. Any of these factors could have a material adverse effect on its business, expansion, results of operations, and financial condition.

Mining has inherent risks and is subject to conditions or events beyond the Company's control, which could have a material adverse affect on its business and which conditions and events may not be insurable.

Mineral exploration and development involves risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in work stoppages, damage to or destruction of property, loss of life and environmental damage. Fires, power outages, labour disruptions, flooding, explosions, cave-ins, land-slides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Short-term factors, such as the need for orderly development of mineralized bodies or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in geological resources, grades, stripping ratios or recovery rates may affect the economic viability of projects. The Company does not currently carry any liability insurance for such risks, electing instead to ensure its contractors have adequate insurance coverage. The nature of these risks is such that liabilities might exceed any insurance policy limits, the liabilities and hazards might not be insurable or the Company might not elect to insure itself against such liabilities due to high premium costs or other factors. Such liabilities may have a materially adverse effect upon the Company's financial condition.

Most of these risks are beyond the Company's control and could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, loss of key employees, environmental damage, delays in mining, increased production costs, monetary losses and possible legal liability.

The business of exploration for minerals and mining requires significant infrastructure.

Mining, processing, development, and exploration activities depend, to one degree or another on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. The maintenance and management of much of the infrastructure that the Company relies upon is beyond the control of the Company. The loss of such infrastructure, even temporarily, could potentially materially adversely affect the Company's operations, revenues, and financial condition.

Infrastructure in West Africa may be under developed, which could have an adverse effect on the Company.

Trevalli's operations in Namibia and Burkina Faso depend on adequate infrastructure, which is underdeveloped in certain parts of West Africa, and the uninterrupted flow of materials, supplies, and services. Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploitation and/or development of the Company's projects. If adequate infrastructure is not available in a timely manner, there can be no assurance that the continued development of the Company's projects will be commenced or completed on a timely basis, if at all, or that the resulting operations will achieve the anticipated production volume, or that construction costs and ongoing operating costs will not be higher than anticipated. In addition, unusual or infrequent weather phenomena, sabotage or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's business, financial condition and results of operations. Any interruptions to the procurement of equipment or the flow of materials, supplies and services to these properties could have an adverse impact on Trevalli's business, financial condition and results of operations.

The Company's ability to secure power supplies and at a reasonable cost are significant operational risks.

A key operational risk is the availability of sufficient power supplies to support mining operations. Large quantities of power are used in the extraction and processing of minerals and metals. Conversely, other properties of the Company are located in areas that have many competing demands for power and access to sufficient supplies will need to be negotiated by the Company. Power is an integral requirement for exploration, development and production facilities on mineral properties.

The Company's ability to obtain a secure supply of power at a reasonable cost depends on many factors, including: global and regional supply and demand; political and economic conditions; problems that can affect local supplies; delivery; and, relevant regulatory regimes.

Even a temporary interruption of power could adversely affect an operation. An increase in prices could negatively affect the Company's business, financial condition, and results of operations. Establishing power infrastructure for the Company's development projects will, in any event, require significant resources, identification of adequate sources of raw materials and supplies, and necessary cooperation from national and regional governments, none of which can be assured. There is no guarantee that the Company will secure the power going forward or on terms reasonable to the Company. Nevertheless, the Company has a long-term power purchase agreement in place with a SN Power, a significant Peruvian power distributor, for its Santander Property. The Caribou Property is connected to the New Brunswick grid where excess capacity is available. The Rosh Pinah Mine is supplied directly from the NamPower, the national power utility company of Namibia, through its grid system. All power for the Perkoa Mine is from diesel generators as the supply of power from the Burkina Faso national grid is unreliable.

The business of exploration for minerals and mining involves a high degree of risk, as few properties that are explored are ultimately developed into producing mines.

The Company is engaged in exploration, mine development and the mining and production of precious metals, primarily zinc, and is exposed to a number of risks and uncertainties that are common to other companies in the same business. Unusual or unexpected ground movements, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable adequate machinery, equipment or labour are risks involved in the operation of mines and the conduct of exploration programs. The Company has relied on and may continue to rely upon consultants and others for mine operating and exploration expertise. Few properties that are explored are ultimately developed into producing mines. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineral deposit, the Company may not be able to raise sufficient funds for development. The economics of developing mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of mining and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Where expenditures on a property have not led to the discovery of mineral reserves, spent costs will not usually be recoverable.

The trading price of the Common Shares may be volatile, subject to large fluctuations over short periods, and may increase or decrease in response to a number of events and factors.

Share prices for many companies in the mineral exploration and mining industries have experienced wide fluctuations that have been often unrelated to the operations of the companies themselves. These factors may include:

- the price of zinc and other metals;
- the Company's operating performance and the performance of competitors and other similar companies;
- exploration results from the Company's mineral properties;
- the public's reaction to the Company's news releases, other public announcements, and the Company's filings with the various securities regulatory authorities;

- changes in earnings estimates or recommendations by research analysts who track the Common Shares or the shares of other companies in the resource sector;
- changes in general economic conditions;
- the arrival or departure of key personnel; and
- acquisitions, strategic alliances or joint ventures involving the Company or its competitors.

In addition, the market price of the Company's shares is affected by many variables not directly related to the Company's success and are therefore not within the Company's control, including other developments that affect the market for all resource sector shares, the breadth of the public market for the Company's shares, and the attractiveness of alternative investments. In addition, securities markets have recently experienced an extreme level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The effect of these and other factors on the market price of the Common Shares on the exchanges in which the Company trades has historically made the Company's share price volatile and suggests that the Company's share price will continue to be volatile in the future.

Risks associated with operations in West Africa.

Operations in Burkina Faso and Namibia are governed by mineral agreements with local governments that establish the terms and conditions under which the Company's affairs are conducted. These agreements cover a number of items, including the duration and renewal terms of exploration permits and mining licenses/operating permits; supply and repayment of funds for capital investments; the right to export production; distribution of dividends; shareholder rights and obligations for the Company and the government in respect of their ownership; labour matters; the right to hold funds in foreign bank accounts and in foreign currencies; taxation rates; and the right to repatriate capital and profits.

Uncertainties in the interpretation and application of laws and regulations in the West African jurisdictions in which the Company operates may affect its ability to comply with such laws and regulations, which may increase the risks with respect to its operations. In the event of a dispute arising from the Company's activities, the Company may be subject to the exclusive jurisdiction of courts or arbitral proceedings outside of North America or may not be successful in subjecting persons to the jurisdiction of courts in North America, either of which could unexpectedly and adversely affect the outcome of a dispute. The courts in Burkina Faso and Namibia may offer less certainty as to the judicial outcome or a more protracted judicial process than is the case in more established economies. Businesses can become involved in lengthy court cases over simple issues when rulings are not clearly defined, and the poor drafting of laws and excessive delays in the legal process for resolving issues or disputes compound such problems. Accordingly, Trevali could face risks such as: (i) effective legal redress in the courts of Burkina Faso or Namibia being more difficult to obtain, whether in respect of a breach of law or regulation, or in a contract or an ownership dispute, (ii) a higher degree of discretion on the part of governmental authorities and therefore less certainty, (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations, (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions, or (v) relative inexperience of the judiciary and courts in such matters.

Enforcement of laws in Burkina Faso or Namibia may depend on and be subject to the interpretation placed upon such laws by the relevant local authority, and such authority may adopt an interpretation of an aspect of local law which differs from the advice that has been given to Trevali by local lawyers or even previously by the relevant local authority itself. Furthermore, there is limited relevant case law providing guidance on how courts would interpret such laws and the application of such laws to Trevali's contracts, joint ventures, licenses, license applications or other arrangements. Thus, there can be no assurance that contracts, joint ventures, licenses, license applications or other legal arrangements will not be adversely affected by the actions of government authorities and the effectiveness of and enforcement of such arrangements.

Risks associated with serious diseases.

The Company is exposed to pandemics like malaria and other diseases, such as dengue, chikungunya, Zika and other flu like viruses (e.g. avian, swine). Such pandemics and diseases represent a serious threat to maintaining a skilled workforce in the mining industry in Africa and in South America and is a major healthcare challenge for the

Company. Further, Ebola, HIV and other diseases represent a serious threat to maintaining a skilled workforce in the mining industry throughout Africa and are a major healthcare challenge to Trevali's operations in Africa. The epidemic of the Ebola virus disease in 2014 in parts of West Africa resulted in a substantial number of deaths and the World Health Organization declared it a global health emergency. This outbreak did not affect the operations of the previous owner of the African Assets, Glencore, but had it spread further, the workforce may have been adversely affected. Should there be an epidemic in the countries in which Trevali operates, which is not satisfactorily contained, its workforce may be adversely impacted and the Company may face difficulties securing transportation of supplies and equipment essential to its mining operations. As a result, the Company's exploration, development and production plans could be delayed, or interrupted after commencement. Any changes to these operations could significantly increase costs of operations and have material adverse effect on the Company's business, results of operations, and future cash flow.

In addition, unsafe work conditions or equipment, transportation of personnel or insufficient worker training may expose personnel to potentially serious occupational and workplace accidents causing injuries and or potential fatalities while working at, or travelling to or from, an operating mine.

There can be no assurance that the Company will not lose members of its workforce or see its workforce productivity reduced or incur increased medical costs/insurance premiums as a result of these health risks, which could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

DIVIDENDS

The Company has not paid any dividends on the Common Shares since its incorporation. The Company does not anticipate declaring or paying any dividends on the Common Shares in the near future, although it reserves the right to pay dividends if and when it is determined to be advisable by the Board. As a result, shareholders will have to rely on capital appreciation, if any, to earn a return on investment in the Common Shares in the near future. There are no restrictions on the Company's ability to pay dividends.

DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of Common Shares. As at December 31, 2017, a total of 825,615,260 Common Shares were issued and outstanding. As of the date of this AIF, there are 830,092,385 Common Shares issued and outstanding.

Each Common Share entitles the holder thereof to one vote per Common Share at all meetings of shareholders. All of the Common Shares issued rank equally as to dividends, voting rights and distribution of assets on winding-up or liquidation. Shareholders have no pre-emptive rights, nor any right to convert their Common Shares into other securities. There are no existing indentures or agreements affecting the rights of shareholders other than the Notice of Articles and Articles of the Company.

MARKET FOR SECURITIES

The Common Shares are listed and posted for trading on the TSX under the symbol "TV". The following table sets forth the reported high and low prices and the trading volume of the Common Shares on the TSX for the 12-month period ended December 31, 2017:

| Month | High (C\$) | Low (C\$) | Volume |
|--------------|-------------------|------------------|---------------|
| January | 1.34 | 1.09 | 32,698,700 |
| February | 1.48 | 1.21 | 31,048,800 |
| March | 1.57 | 1.15 | 84,555,400 |
| April | 1.38 | 1.10 | 58,428,100 |
| May | 1.23 | 1.03 | 28,651,400 |
| June | 1.30 | 1.05 | 36,496,600 |
| July | 1.39 | 1.22 | 39,162,800 |

| Month | High (C\$) | Low (C\$) | Volume |
|-----------|------------|-----------|------------|
| August | 1.50 | 1.22 | 61,210,500 |
| September | 1.60 | 1.33 | 56,643,000 |
| October | 1.64 | 1.35 | 62,203,600 |
| November | 1.55 | 1.31 | 51,992,100 |
| December | 1.52 | 1.28 | 31,097,000 |

DIRECTORS AND OFFICERS

The table presented below provides the name, place of residence, position(s) held with the Company and principal occupation during the last five years by each of the Company's directors and executive officers and, for directors, the date since which they have served as a director of the Company.

| Name and Place of Residence | Position(s) Held | Principal Occupation During the Last Five Years | Director Since |
|--|---|---|------------------|
| Dr. MARK CRUISE British Columbia, Canada | President, Chief Executive Officer and Director | President and Chief Executive Officer of the Company. | March 18, 2008 |
| MIKE HOFFMAN ⁽³⁾⁽⁴⁾ Ontario, Canada | Chair of the Board | Principal of M Hoffman Consulting Inc.; director of Eastmain Resources Inc. (since March 2016). | April 6, 2011 |
| RUSSELL BALL ⁽¹⁾⁽²⁾⁽⁴⁾ British Columbia, Canada | Director | Executive Vice President, Chief Financial Officer and Corporate Development of Goldcorp Inc. (March 2016 to November 2017); Executive Vice President, Corporate Development and Capital Projects of Goldcorp Inc. (December 2014 to March 2016); Executive Vice President of Capital Management of Goldcorp Inc. (May 2013 to December 2014). | October 11, 2017 |
| ANTON DRESCHER ⁽¹⁾⁽²⁾ British Columbia, Canada | Director | President and Director of Harbour Pacific Capital Corp. (1998 to present); President and director of WestPoint Management Consultants Ltd. (1979 to present). | May 23, 2007 |
| CHRIS ESKDALE Oberaegen, Switzerland | Director | Head of Zinc Industrial Assets, Glencore. | March 2, 2012 |
| DAN ISSEROW ⁽¹⁾⁽²⁾⁽³⁾ British Columbia, Canada | Director | President and Chief Financial Officer of Silica Ventures Inc. | October 11, 2017 |
| JESSICA MCDONALD ⁽³⁾⁽⁴⁾ British Columbia, Canada | Director | Chair of Canada Post Corporation (since December 2017); President and Chief Executive Officer of British Columbia Hydro and Power Authority (July 2014 to July 2017); independent consultant (2013). | October 11, 2017 |
| DAN MYERSON Ontario, Canada | Director | Head of Glencore's Canadian zinc business. | August 31, 2017 |
| ANNA LADD British Columbia, Canada | Chief Financial Officer | Chief Financial Officer of the Company. | n/a |
| BRYANT SCHWENGLER British Columbia, Canada | Chief Operating Officer | Chief Operating Officer of the Company (November 28, 2017 to present); General Manager at the Company's Caribou Mine (March 2016 to November 27, 2017); General Manager at Glencore's Lady Loretta Mine (April 2014 to December 2016); General Manager at Glencore's Mount Isa Open Pit Operations (June 2011 to April 2014). | n/a |

| Name and Place of Residence | Position(s) Held | Principal Occupation During the Last Five Years | Director Since |
|--|--|---|-----------------------|
| PAUL KELLER Ontario, Canada | Senior Vice President – Major Projects & Technical Support | Senior Vice President – Major Projects & Technical Support of the Company (since November 2017); Chief Operating Officer of the Company (May 2011 to November 2017). | n/a |
| GERBRAND VAN HEERDEN British Columbia, Canada | Senior Vice President – Business Initiative/Development | Senior Vice President – Business Initiative/Development (since November 2017); Chief Financial Officer of Glencore’s Rosh Pinah Zinc Corporation (2013 to November 2017). | n/a |
| STEVE STAKIW British Columbia, Canada | Vice President – Investor Relations and Corporate Communications | Vice President – Investor Relations and Corporate Communications of the Company. | n/a |
| DANIEL MARINOV British Columbia, Canada | Vice President – Exploration | Vice President – Exploration of the Company (since April 2013); Chief Geologist of the Company (March 2011 to March 2013). | n/a |

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.
- (3) Member of the Corporate Governance and Nominating Committee.
- (4) Member of the Health, Safety, Environment and Community Committee.

All of the Company’s directors serve until the next annual meeting of shareholders or until such director’s successor is duly elected or appointed.

Common Share Ownership

As of the date of this AIF, the directors and executive officers of the Company, as a group, beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 7,768,308 Common Shares, which together represent approximately 0.94% of the Company’s issued and outstanding Common Shares before giving effect to the exercise of options or warrants to purchase Common Shares held by such directors and officers. The statement as to the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the directors and executive officers of the Company as a group is based upon information furnished by the directors and executive officers.

Director and Officer Biographies

Dr. Mark Cruise, President, Chief Executive Officer and Director

Dr. Cruise founded the Company and has been President since February 25, 2008 and Chief Executive Officer since May 28, 2009. Dr. Cruise was Vice-President, Business Development of Cardero Resources Corp., a public company listed on the TSX and American Stock Exchange, from March 2007 to September 2011, and from November 2004 to March 2007 was the Vice-President, Exploration. From 1996 to 2004, Dr. Cruise was Senior Geologist with Anglo American plc. Dr. Cruise is also a director of Velocity Minerals Ltd. and a Trevali-nominated director of Prism Resources Inc., public companies listed on the TSXV. Dr. Cruise received a Bachelor of Geology and a Doctorate of Geology from the University of Dublin, Trinity College. Dr. Cruise is a professional member of the Institute of Geologists of Ireland and the European Federation of Geologists.

Mike Hoffman, Chair of the Board

Mr. Hoffman is a professional mining engineer with over 30 years of experience in mine operations, projects, engineering and corporate development. Mr. Hoffman is currently Principal of M Hoffman Consulting Inc., providing strategic and consulting services to the mining industry. He has also served in senior executive positions at Belo Sun Mining Corp. (from 2012 to 2014), Crocodile Gold Corp. (from July 2009 to June 2011), Crowflight Minerals Inc. (from September 2007 to July 2009), Goldcorp Inc. (from April 2003 to June 2006), Desert Sun

Mining Corp. (from September 2006 to April 2007) and Yamana Gold Inc. (from April 2006 to June 2007). He is also currently a director of Eastmain Resources Inc. Mr. Hoffman received a Bachelor of Applied Science (Mining Engineering) from Queen's University and is a Professional Engineer in Ontario.

Russell Ball, Director

Mr. Ball was most recently Executive Vice President, Chief Financial Officer and Corporate Development of Goldcorp Inc., a role he assumed in March 2016 after initially joining Goldcorp Inc. in 2013 and serving as Executive Vice President of Capital Projects, Strategy and Corporate Development, including oversight of their primary growth projects. Prior to his role with Goldcorp Inc., Mr. Ball served in varying capacities for Newmont Mining Corporation, including Strategic and Business Planning culminating with his appointment as Executive Vice President and Chief Financial Officer. He is also currently a director of Leagold Mining Corporation, Columbus Gold Corp. and Allegiant Gold Ltd. He qualified as both a Chartered Accountant from the Institute of Chartered Accountants of South Africa and a Certified Public Accountant in Colorado.

Anton Drescher, Director

Mr. Drescher has been a CPA, CMA since 1981. He has been Chief Financial Officer and a director of Oculus VisionTech Inc., a public company listed for trading on the TSXV and the OTC Bulletin Board, since December 1994, which is involved in streaming video and video-on-demand. He has also been a director of International Tower Hill Mines Ltd., a public mineral exploration and development company listed on the TSX and NYSE MKT, since 1991, a director of Xiana Mining Inc., a public mineral exploration company listed on the TSXV, since 1996; president of Westpoint Management Consultants Limited, a private company engaged in tax and accounting consulting for business reorganizations since 1979; President of Harbour Pacific Capital Corp., a private British Columbia company involved in regulatory filings for businesses in Canada, since 1998; a director of Corvus Gold Inc., a public natural resource company listed on the TSX, since 2010; a director of River Wild Exploration Inc., a public mineral exploration company listed on the TSXV, since May 2014; and the president and a director of RavenQuest BioMed Inc. since 2007.

Chris Eskdale, Director

Mr. Eskdale joined Glencore International A.G. in January 1997 as Asset Manager (and is currently head of industrial assets of the zinc division). Prior to this, he was an accountant at Deloitte & Touche in London and Moscow. Mr. Eskdale is on the board of directors of a number of international mining companies, including Perubar SA, a Peru-based company primarily engaged in the provision of storage services and loading of mineral concentrates (since 2003), Compania Minera Volcan SAA, a Peruvian listed mining company engaged in the extraction and production of zinc, lead and copper concentrates (since 2012), the Noranda Income Fund (since 2013) and Recylex S.A., a Paris listed company processing zinc and lead materials (since 2014). Mr. Eskdale holds a Master of Arts (Honours) degree from the University of Oxford and qualified as a Chartered Accountant in July 1994 with the Institute of Chartered Accountants in England and Wales.

Dan Isserow, Director

Mr. Isserow is a Chartered Accountant with financial and business operations leadership experience and a successful track record of growing organizations across various business sectors, including introducing the Nando's restaurant franchise to Canada and serving as its President and CEO from 1993 to 2012. He is currently the Co-Founder, President and Chief Financial Officer with Silica Ventures, a company focused on the expanding market for digital sign applications; with customers in Canada and the United States. He is a Chartered Accountant from the Institute of Chartered Accountants of South Africa.

Jessica McDonald, Director

Ms. McDonald is currently the Chair of the Board of Canada Post Corporation. She was recently the President and Chief Executive Officer of the British Columbia Hydro & Power Authority (BC Hydro) (between July 2014 and July 2017), a clean energy utility with over \$5.5 billion in annual revenues. Previous roles include Executive Vice President at HB Global Advisors Corp., in addition to a successful practice in mediation and negotiation on major

commercial and industrial projects. Ms. McDonald has also held many positions in the British Columbia provincial government including Deputy Minister to the Premier, Cabinet Secretary, and Head of the BC Public Service. Ms. McDonald has served on numerous boards and is a member of the Institute of Corporate Directors of Canada.

Dan Myerson, Director

Mr. Myerson is currently the head of Glencore's Canadian zinc business, and has worked closely with Trevali at both the corporate and operations level. Prior to joining Glencore, Mr. Myerson worked in the global capital markets division of Morgan Stanley with a principal focus on the Asia-Pacific region. Mr. Myerson holds a Master of Finance (Honours) degree from the Queensland University of Technology in Brisbane, Australia.

Anna Ladd, Chief Financial Officer

Ms. Ladd has over 15 years of experience in financing and financial controls in relation to the mining industry from mine controller up to and including responsibility for multiple large scale open pit and underground base and precious metal production units. Ms. Ladd has served as Vice President Finance and Chief Financial Officer for a number of TSX listed junior mining and development companies in addition to several mid-size to senior gold and base metal producers, including Grande Cache Coal's operations, Kinross Gold Corporation's Fort Knox, Round Mountain, and Kettle River operations, and Vale Inco's Thompson and Sudbury base metal operations. Ms. Ladd has served as Chief Financial Officer of the Company since May 2011. Ms. Ladd holds a Bachelor of Commerce degree from the University of British Columbia, and a Master of Arts in Economics from Queen's University, and is a Certified Public Accountant.

Bryant Schwengler, Chief Operating Officer

Mr. Schwengler has 17 years of experience in a variety of roles including senior management positions in both underground and open-pit mining operations. Results driven with a strong safety focus, Bryant's broad skill set encompasses the full mine operational life cycle from commissioning, mine planning and optimization through to closure. Commencing his career with Mount Isa Mines Ltd., he provided engineering solutions to the Ernest Henry Open Cut Mine (Cu-Au). Following this he transitioned to Xstrata Zinc and ultimately Glencore at the world class Mt Isa Zinc operations. During this period, he led both technical and operational teams at the Blackstar, Handlebar Hill and Lady Loretta Zinc mines. As part of the strategic partnership with Glencore, Bryant was seconded to the Caribou Mine in early 2016 where he was instrumental in supporting the site during commissioning, the transition to commercial production and the ongoing optimization process. Mr. Schwengler holds a Bachelor of Engineering degree from the University of Ballarat, Victoria, Australia.

Paul Keller, Senior Vice President – Major Projects & Technical Support

Mr. Keller brings extensive mine operations experience in Canada with 34 years of experience most recently as Manager of Technical Services for a major Canadian mining contractor where he led a team of engineers and designers on various mining contracts for major mining companies. Mr. Keller began his career with Rio Algom Limited and has also worked in various management roles with Barrick Gold's Hemlo mine in operations, engineering and maintenance. Mr. Keller initially joined the Company in May 2012 as Vice President of Operations. On July 4, 2012, he was appointed as Chief Operating Officer of the Company. On November 28, 2017, he was appointed as Senior Vice President – Major Projects & Technical Support. Mr. Keller holds a Bachelor of Engineering/Mining from Laurentian University and is a Professional Engineer.

Gerbrand Van Heerden, Senior Vice President – Business Initiative/Development

Mr. Van Heerden has 18 years of experience in various senior management roles in the mining industry, across numerous commodities, specializing in base metals. He commenced his career with Deloitte following which he joined Metorex Limited, a multi-listed mid-tier mining company as Group Financial Controller in 2004. At Metorex, he held a number of senior management positions, becoming a specialist in a wide field including technical consolidation and accounting, treasury, cross border taxation, trading and marketing of commodities, derivatives, group and debt re-structuring, due diligences, feasibilities, as well as a strong operational influencer to improve business profitability and sustainability. He was also involved in numerous green and brownfield projects, in

Southern and Central Africa, through commissioning and into operational readiness during this period. He joined Glencore in 2013 as Chief Financial Officer of the newly acquired Rosh Pinah Zinc Corporation and was instrumental in the turn-around and modernization of the operation with a focus on establishing a continuous improvement culture. Mr. Van Heerden is a Chartered Accountant from the Institute of Chartered Accountants of South Africa and a graduate of the University of Johannesburg, South Africa.

Steve Stakiw, Vice President – Investor Relations and Corporate Communications

Mr. Stakiw is a geologist with over 26 years of mineral exploration, research, and finance/equity market experience. He has held senior management roles with a leading mining research and investment publication and has consulted to resource-focused investment funds. Mr. Stakiw joined the Company in April 2008, initially as Manager – Corporate Communications and from November 27, 2012 as the Company’s Vice President – Investor Relations and Corporate Communications. He has been instrumental in expanding the Company’s institutional and retail investor base globally. Mr. Stakiw holds a B.Sc. (Geology) degree from Lakehead University, Ontario and has completed the Canadian Securities Course.

Daniel Marinov, Vice President – Exploration

A professional geologist, Mr. Marinov has over 24 years of international experience in exploration and underground mining for precious, base metals and industrial minerals throughout Eastern Europe, Asia, Australia, as well as Central and South America in senior management roles for Rio Tinto and Anglo American. Mr. Marinov acted as Chief Geologist of the Company from April 1, 2011 to March 2013 and from April 1, 2013, has served as the Company’s Vice President of Exploration. Mr. Marinov holds a Master of Science degree in mineral exploration from the University of Mining and Geology of Sofia, Bulgaria. He is a Registered Professional Geoscientist (RPGeo) with the Australian Institute of Geoscientists (AIG).

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

The following information, not being within the knowledge of the Company, has been furnished by the respective directors and executive officers.

No director or executive officer of the Company is, as at the date of this AIF, or has been within the last ten years, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

Other than as set forth below, no director or executive officer of the Company or any shareholder holding a sufficient number of Common Shares to affect materially the control of the Company:

- (a) is, as at the date of this AIF, or has been within the last ten years, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

- (b) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets;
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision regarding the Company.

On March 10, 2010, the TSX Venture Exchange, Inc. (“**TSXV**”) rendered a decision with respect to a review concerning certain unauthorized loans by Xiana Mining Inc. (formerly “Dorato Resources Inc.”) to the Company. As part of its decision, the TSXV required Mr. Drescher (who was a director of Xiana at the relevant time) to seek prior written approval from the TSXV should he propose to be involved with any other TSXV listed issuer as a director and/or officer. On May 14, 2010, the TSX, upon review of the TSXV’s decision, required Mr. Drescher to seek approval from the TSX should he propose to be involved with any other TSX listed issuers as a director and/or officer. In addition, the TSX required Mr. Drescher to inform the TSX of any future actions commenced against him by any regulatory entity. Subsequently, Mr. Drescher applied to the TSX for reconsideration of the abovementioned restrictions and, on May 1, 2013, the TSX agreed to remove all such restrictions.

Conflicts of Interest

Most of the Company’s directors and/or officers are also directors, officers, employees or consultants of other companies that are engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. As a result, opportunities provided to a director of the Company may not be made available to the Company, but rather may be offered to a company with competing interests. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company, to disclose any personal interest which they may have in any project or opportunity of the Company, and to abstain from voting on such matters.

Chris Eskdale and Dan Myerson, both directors of the Company, are members of the senior management team at Glencore. Glencore is a significant shareholder of the Company, owning approximately 26% of the issued and outstanding Common Shares. In addition, through off-take agreements, Glencore has agreed to purchase all concentrates from the Company’s Santander, Caribou, Rosh Pinah, and Perkoa operations. Furthermore, Glencore and the Company and certain of their respective affiliates, have entered into agreements to provide technical services. As part of the Investor Rights Agreement, Glencore has been granted certain board nomination rights, the right to participate in future equity offerings by the Company to maintain its pro rata ownership in Trevali and consent rights on any future material asset sales. Pursuant to the Investor Rights Agreement, Glencore has agreed to the Standstill (until August 31, 2020) and to hold the Share Consideration until August 31, 2019. The Standstill prohibits Glencore from taking certain specified actions without Trevali’s approval, including, among other things, launching a takeover bid or increasing its ownership in Trevali.

The directors and executive officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosure by the directors of conflicts of interests and the Company will rely upon such laws in respect of any directors’ and officers’ conflicts of interest or in respect of any breaches of duty by any of its directors and executive officers.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

Except as disclosed below, to the knowledge of the directors and officers of the Company, the Company and its properties are not subject to, and during the financial year ended December 31, 2017 were not subject to, any legal

proceeding, nor does the Company know of any such legal proceedings to be contemplated.

An arbitration proceeding commenced on March 24, 2017 by Diorite Securities Limited, as Trustee of the Fern Trust (the “**Fern Trust**”), against Trevali Mining (New Brunswick) Ltd. regarding the calculation of the 10% net profit interest (“**NPI**”) royalty in the Caribou Mine. A date for the arbitration has yet to be fixed.

An action was commenced on December 13, 2017 in the Court of Queen’s Bench of New Brunswick, also by Diorite Securities Limited, as Trustee of the Fern Trust, against both Trevali Mining (New Brunswick) Ltd. and the Company. The action asserts that the Company has an obligation to run the mine in accordance with Fern Trust’s interests. The Company has brought a motion to strike the claim on the basis that the pleading does not disclose a reasonable cause of action. The hearing date for that motion has yet to be scheduled.

Regulatory Actions

Except as disclosed below, to the knowledge of the directors and officers of the Company, the Company has not: (a) had any penalties or sanctions imposed against it by a court relating to securities legislation or by a securities regulatory authority during the financial year ended December 31, 2017; (b) had any other penalties or sanctions imposed against it by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision; or (c) entered into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority during the financial year ended December 31, 2017.

On January 26, 2016, Trevali received a “*Notice of Intent to Issue a Direction Pursuant to the Fisheries Act*”, dated January 19, 2016 (the “**Notice of Intent**”). The Notice of Intent makes a claim, among other things, that Trevali is responsible at its Caribou mining operations in allowing the deposit of a deleterious substance in water frequented by fish that is not authorized and that all reasonable measures consistent with public safety and with the conservation and protection of fish have not been taken under the *Fisheries Act*, etc. The Notice of Intent lists a number of measures Trevali must take in respect to the conservation and protection of fish and fish habitat. In response to such Notice of Intent, Trevali has made detailed oral and written submissions to the Environmental Enforcement Directorate. In connection with same, Trevali has had the assistance of its current primary technical consultant at Caribou who has an approximate 35-year working history at the Caribou Mine, working with various prior owners and organizations (including the Province of New Brunswick). The Company’s position in respect to the various allegations is that the Notice of Intent incorrectly puts responsibility for a number of historic liabilities associated with the Caribou Mine site on the Company which are legally the responsibility of the Province of New Brunswick, as contemplated by the terms of the Company’s January 30, 2013 limited environmental liability agreement entered into with the Province of New Brunswick in respect to the Caribou Mine. Subsequent meetings with provincial and federal agencies has resulted in correct application of the responsibilities under the limited environmental liability agreement and the provincial governing authority in coordination with Trevali have enacted a long-term correction action plan to respond to the Notice of Intent. The Company is still in discussions with government authorities in this regard.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed below, none of the directors or executive officers of the Company, or persons or companies that beneficially own, or control or direct, directly or indirectly, more than 10% of the outstanding Common Shares, or any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any transactions in which the Company has participated since January 1, 2015, which has materially affected or is reasonably expected to materially affect the Company.

Chris Eskdale and Dan Myerson, directors of the Company, are members of the senior management team at Glencore. Glencore is a significant shareholder of the Company, owning approximately 26% of the Company’s issued and outstanding Common Shares. In addition, through off-take agreements, Glencore has agreed to purchase all the concentrates from the Company’s Santander, Caribou, Rosh Pinah, and Perkoa operations and has entered into agreements with the Company relating to the Glencore Acquisitions as described under the heading “*General Development of the Business – 2017 Recent Developments – Acquisitions and Related Equity and Debt Financings*”.

TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar of the Common Shares is Computershare Investor Services Inc. at its offices in Vancouver, British Columbia at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9.

MATERIAL CONTRACTS

The following are contracts that are material to the Company that were entered into either (i) during the financial year ended December 31, 2017; or (ii) prior to January 1, 2017 that are still in effect, other than contracts entered into in the ordinary course of business:

- (a) Investor Rights and Governance Agreement with Glencore International AG dated August 31, 2017 and filed under the Company's profile on the SEDAR website at www.sedar.com on September 11, 2017.
- (b) Credit Agreement between Trevali Mining Corporation and the Bank of Nova Scotia, Société Générale, the Export Development Bank, and the Toronto-Dominion Bank dated August 29, 2017 and filed under the Company's profile on the SEDAR website at www.sedar.com on September 12, 2017.

INTERESTS OF EXPERTS

Names of Experts

Set forth below are the persons and companies who prepared or certified a statement, report, valuation or opinion described, included or referred to in a filing that the Company made under National Instrument 51-102 – *Continuous Disclosure Obligations* during or relating to the Company's most recently completed financial year.

The Company's auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have prepared an independent auditor's report dated March 13, 2018 in respect of the Company's consolidated financial statements as at December 31, 2017, December 31, 2016 and January 1, 2016 and for years ended December 31, 2017 and December 31, 2016. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

The authors of the Technical Reports are listed elsewhere in this AIF.

Interest of Experts

To the best of the Company's knowledge, none of the experts named under "Names of Experts" has received or will receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of any of the Company's associates or affiliates in connection with the preparation or certification of any statement, report or valuation prepared by such person. To the knowledge of the Company, none of the experts so named (or any of the designated professionals thereof) held securities of the Company representing more than 1% of all issued and outstanding securities of any class as at the date of the statement, report or valuation in question.

AUDIT COMMITTEE

Audit Committee's Charter

The charter of the Company's Audit Committee is reproduced as Exhibit "A" to this AIF.

Composition of Audit Committee

The Audit Committee is comprised of Anton Drescher, Russell Ball and Dan Isserow, all of whom are independent directors of the Company within the meaning of National Instrument 52-110 – *Audit Committees* ("NI 52-110"). The Chair of the Audit Committee is Mr. Drescher. All members of the Audit Committee are financially literate. The members of the Audit Committee are elected by the Board at its first meeting following each annual shareholders' meeting to serve one-year terms and are permitted to serve an unlimited number of consecutive terms.

Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

Anton Drescher – Mr. Drescher has been a Certified Management Accountant since 1981. He is also the President of Westpoint Management Consultants Limited, a private company engaged in tax and accounting consulting for business reorganizations since 1979 and the President of Harbour Pacific Capital Corp., a private British Columbia company involved in regulatory filings for businesses in Canada since 1998.

Russell Ball – Mr. Ball qualified as both a Chartered Accountant from the Institute of Chartered Accountants of South Africa and a Certified Public Accountant in Colorado. He was most recently Executive Vice President, Chief Financial Officer and Corporate Development of Goldcorp Inc., a role he assumed in March 2016 after initially joining Goldcorp Inc. in 2013. Prior to his role with Goldcorp Inc., Mr. Ball served in varying capacities for Newmont Mining Corporation, culminating with his appointment as Executive Vice President and Chief Financial Officer.

Dan Isserow – Mr. Isserow is a Chartered Accountant from the Institute of Chartered Accountants of South Africa with financial and business experience across various business sectors. He is currently the President and Chief Financial Officer with Silica Ventures, a company focused on the expanding market for digital sign applications; with customers in Canada and the United States.

Reliance on Certain Exemptions

Except as disclosed below, at no time since the commencement of the Company's most recently completed financial year has the Company relied on any of the exemptions contained in NI 52-110.

In connection with the reconstitution of the Board following completion of the Glencore Acquisitions, effective October 26, 2017, the Audit Committee was reconstituted as a four-member committee comprised of Anton Drescher, Russell Ball, Dan Isserow and Chris Eskdale. Mr. Eskdale is not considered to be independent within the meaning of NI 52-110 as a result of being an officer of Glencore. The Board determined that Mr. Eskdale should not continue to serve as a member of the Audit Committee and he resigned from the Audit Committee subsequent to the year ended December 31, 2017. The Audit Committee has determined that Mr. Eskdale will continue to be invited to participate in committee meetings to the extent that the Audit Committee determines that this is in the best interests of the Company.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

Pursuant to the terms of the Audit Committee Charter, the Audit Committee must review all non-audit services to be provided to the Company by the external auditor.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two financial years for audit fees are as follows in Canadian dollars:

| Financial Year Ended | Audit Fees | Audit-Related Fees ⁽¹⁾ | Tax Fees ⁽²⁾ | All Other Fees ⁽³⁾ |
|----------------------|------------|-----------------------------------|-------------------------|-------------------------------|
| 2017 | \$280,000 | \$81,000 | \$233,170 | Nil |

| Financial Year Ended | Audit Fees | Audit-Related Fees ⁽¹⁾ | Tax Fees ⁽²⁾ | All Other Fees ⁽³⁾ |
|-----------------------------|-------------------|--|--------------------------------|--------------------------------------|
| 2016 | \$261,000 | \$56,700 | \$59,732 | \$24,000 |

Notes:

- (1) Fees charged for assurance and related services reasonably related to the performance of an audit or review of the Company's financial statements, and not included under "Audit Fees".
- (2) Fees charged for tax compliance, tax due diligence report tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found under the Company's profile on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the Company's management information circular dated May 15, 2017. Additional financial information is provided in the Company's audited consolidated financial statements and management's discussion and analysis for the financial year ended December 31, 2017.

**EXHIBIT “A”
AUDIT COMMITTEE CHARTER**

**TREVALI MINING CORPORATION
(the “Company”)**

I. PURPOSE

Senior management, as overseen by the Board of Directors (the “Board”), has the primary responsibility for the Company’s financial reporting, accounting systems and internal controls. The Audit Committee (the “Committee”) is a committee of the Board established to assist the Board in fulfilling its oversight responsibilities relating to:

1. the Company’s accounting and financial reporting processes and systems of internal accounting and financial controls;
2. the timelines, quality and integrity of the Company’s financial statements;
3. the Company’s compliance with legal and regulatory requirements as they relate to accounting and financial controls and anti-corruption and bribery issues; and
4. the independence and performance of the Company’s external auditor.

II. COMPOSITION, PROCEDURES AND ORGANIZATION

- A. The Board shall appoint the members and the Chair of the Committee each year for a term of one year and may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee. Committee members may serve any number of consecutive terms.
- B. The position description for the Chair of the Committee is attached as Schedule “A” to this Charter.
- C. The Committee shall consist of at least three members of the Board, all of whom shall be independent in accordance with the securities laws, rules, regulations and guidelines of all applicable securities regulatory authorities, including without limitation the securities commissions in each of the provinces and territories of Canada and the stock exchanges on which the Company’s securities are listed, including without limitation the Toronto Stock Exchange, subject to any exemptions provided thereunder.
- D. All members of the Committee shall be, in the determination of the Board, “financially literate”, as that term is defined by National Instrument 52-110 - *Audit Committees*, as amended from time to time.
- E. The Chair of the Committee shall, in consultation with other members of the Committee, management and the external auditor, as necessary, establish the agenda for the Committee’s meetings. The agenda and information concerning the business to be conducted at each Committee meeting shall be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review and discussion.
- F. The Committee shall have the power, authority and discretion delegated to it by the Board, which shall not include the power to change the membership of, or fill vacancies in, the Committee.
- G. Notice of every meeting of the Committee shall be given to the external auditor, who shall be entitled to attend and be heard thereat.
- H. The external auditor shall be entitled to communicate directly with the Chair of the Committee.
- I. The Committee shall conform to the regulations which may from time to time be imposed upon it by the Board. The Board shall have the power at any time to revoke or override the authority given to, or acts done by, the Committee except as to acts done before such revocation or act of overriding.
- J. At the invitation of the Committee Chair, one or more officers, employees, consultants or advisors of the Company may, or if required by the Committee, shall, attend a meeting of the Committee.

- K. The Committee shall meet as often as required to fulfil its duties and at least four times each year on such dates and at such locations as determined by the Chair of the Committee.
- L. The Committee shall hold an in-camera meeting with the external auditor at least once per year.
- M. The Chief Financial Officer (the “CFO”) shall be available to advise the Committee, shall receive notice of all meetings of the Committee and may attend meetings at the invitation of the Committee Chair.
- N. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other. Questions arising shall be determined by a majority of votes of the members of the Committee present, and in the case of an equality of votes, the Chair shall not have a second or casting vote.
- O. The Committee shall keep regular minutes of its meetings and record all material matters and shall cause such minutes to be recorded in the books kept for that purpose.
- P. A resolution approved in writing by all of the members of the Committee shall be valid and effective as if it had been passed at a duly called meeting. Such resolution shall be filed with the minutes of the proceedings of the Committee and shall be effective on the date stated thereon or on the latest date stated in any counterpart.
- Q. The Committee shall have unrestricted and unfettered access to all Company facilities, personnel and documents and to the Company’s external auditor and legal counsel, and shall be provided with the resources necessary to carry out its responsibilities.

III. DUTIES AND RESPONSIBILITIES

Without limitation to the foregoing, the following are the primary duties and responsibilities of the Committee:

- A. Financial Information
 - 1. make the following recommendations to the Board:
 - (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report and performing other audit, review or attest services for the Company; and
 - (b) the compensation of the external auditor;
 - 2. review the external auditor’s proposed audit plan, including:
 - (a) the auditor’s engagement letter;
 - (b) the reasonableness of the estimated audit fees;
 - (c) the scope of the audit, including materiality, locations to be visited, audit reports required, areas of audit risk, timetable, deadlines and coordination with the internal financial team and key deliverables;
 - (d) reliance and testing of internal control and internal audit;
 - (e) involvement of other firms or branches of the external auditor; and
 - (f) the external auditor’s resources scheduled for executing the plan;
 - 3. review the results of the external audit, including:
 - (a) the post-audit management letter, together with management’s response thereto;
 - (b) the form of the audit report;

- (c) any other related audit engagements;
 - (d) non-audit services performed by the external auditor;
 - (e) resolution of any disagreements between management and the external auditor regarding financial reporting;
 - (f) assessment of the auditor's performance; and
 - (g) meeting with the external auditor to discuss pertinent matters, including the quality of accounting personnel;
4. review all public disclosure of the Company's financial information before the Company publically discloses such information;
 5. review the annual and quarterly financial statements and related matters, and recommend their approval to the Board after discussing with management matters such as the selection of accounting policies, major accounting judgements, accruals and estimates;
 6. review all public disclosure containing audited or unaudited financial information before release, including any prospectus, annual information form, annual report, interim report, management's discussion and analysis (the "MD&A") and press releases which contain financial information about the Company;

B. Interim Financial Statements

1. obtain reasonable assurance on the process for preparing reliable quarterly interim financial statements from discussions with management and, where appropriate, reports from the external auditor;
2. review, or engage the external auditor to review, the quarterly interim financial statements;
3. obtain reasonable assurance from management and satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of audited and unaudited financial information and periodically assess the adequacy of those procedures;

C. Internal Controls and Risk Management

1. establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting practices;
2. obtain reasonable assurance from discussions with, and/or reports from, management, and reports from the external auditor that the Company's accounting systems are reliable and that the prescribed internal controls are operating effectively;
3. direct the auditor's examinations to particular areas;
4. request the external auditor to undertake special examinations (e.g., review compliance with conflict of interest policies);
5. review control weaknesses identified by the external auditor, together with management's response thereto;
6. review the appointments of the CFO and key financial executives;

7. review the processes that support the Chief Executive Officer's (the "CEO") and the CFO's certification regarding internal controls over financial reporting ("ICFR") and be satisfied that they constitute a reasonable approach and are diligently performed;
8. review all design or operational weaknesses in ICFR identified in these processes that could have a material impact on the accuracy and adequacy of the Company's financial reporting;
9. review how management assessed each weakness, and decided on whether it should be disclosed in the MD&A or not;
10. review the completeness and accuracy of the disclosures provided in the MD&A;
11. review, with advice from the external auditor and legal counsel as necessary, the proposed course of action for the CEO and the CFO signing of the certificates and consultation with the appropriate securities regulators when unremedied ICFR design weaknesses are disclosed in the MD&A;
12. in consultation with the Company's CFO, establish standards and procedures with respect to the investment of the Company's idle funds;
13. review and approve disclosed remediation plans;
14. review and approve related party transactions;

D. Anti-Bribery and Anti-Corruption

1. discuss the principal anti-bribery and anti-corruption risks in the Company's business activities and provide oversight of appropriate systems to manage such risk;
2. through the receipt of regular reports by management, review and monitor the anti-bribery and anti-corruption policies and activities of the Company on behalf of the Board to ensure compliance with applicable laws, legislation and policies as they relate to anti-corruption and anti-bribery issues;
3. receive and review reports from management on any non-compliance with the anti-corruption or anti-bribery policies of the Company;
4. in the event of the occurrence of a corruption or bribery incident, receive and review, without delay, a report from management detailing the nature of the incident. Such report is to be made to the Committee in its entirety, and the Committee will immediately inform the Board at large, which will review the incident and ask the Company's Disclosure Committee to determine the Company's disclosure obligations; and
5. in conjunction with the Board, periodically conduct an internal audit for compliance with the various elements of the Company's anti-bribery and anti-corruption compliance program and test for substantive compliance. This audit may also include the use of an external auditor that specializes in anti-corruption audits.

IV. GENERAL

- A. The Committee, when it considers it necessary or advisable, may retain, at the Company's expense, outside consultants or advisors to assist or advise the Committee independently on any matter within its mandate. The Committee shall, in consultation with management, have the authority to retain and terminate any such consultants or advisors, including the authority to approve the fees and other retention terms for such persons.
- B. In addition to the foregoing, the Committee will:
 1. assess the Committee's performance of the duties specified in this Charter and report its findings to the Board;

2. report to the Board following each meeting of the Committee on the major discussions and decisions made by the Committee;
 3. review and assess the adequacy of this Charter annually and recommend any proposed changes to the Board; and
 4. perform such other duties as may be assigned to the Committee by the Board from time to time or as may be required by applicable stock exchanges, regulatory authorities or legislation.
- C. The Company is party to an Investor Rights and Governance Agreement (the “**IRG Agreement**”) with Glencore International AG (“**Glencore**”), pursuant to which Glencore has certain rights, including, without limitation, with respect to nomination of directors and appointments to committees of the Board. As per the IRG Agreement, if any provision of this Charter conflicts with any provision of the IRG Agreement, the IRG Agreement shall prevail.
- D. The function of the Committee is one of oversight. While the Committee has the duties and responsibilities set forth in this Charter, members of the Committee are not employees of the Company and are entitled to rely on the integrity of the Company’s management. The Committee’s responsibilities are set out in Section III of this Charter. Therefore, it is the duty of the Company’s management and not the duty of the Committee to:
1. ensure that the Company complies with its financial reporting, accounting systems and internal controls;
 2. ensure that the Company complies with laws, regulations or other obligations; and
 3. take any action or assume any responsibility for any violation of such laws, regulations or other obligations to otherwise take any remedial action connected therewith.

SCHEDULE “A”

TREVALI MINING CORPORATION (the “Company”)

POSITION DESCRIPTION FOR THE CHAIR OF THE AUDIT COMMITTEE

I. PURPOSE

The Chair of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) shall be an independent Director who is elected by the Board to act as the leader of the Committee in assisting the Board in fulfilling its financial reporting and control responsibilities to the shareholders of the Company.

II. WHO MAY BE CHAIR

- A. The Chair will be selected from amongst the independent Directors of the Company who have a sufficient level of financial sophistication and experience in dealing with financial issues to ensure the leadership and effectiveness of the Committee.
- B. The Chair will be selected annually at the organizational meeting of the Board, and will serve for a one-year term.

III. RESPONSIBILITIES

Without limitation to the foregoing, the following are the primary responsibilities of the Chair:

1. chair all meetings of the Committee in a manner that promotes meaningful discussion;
2. ensure adherence to the Committee’s Charter and that the adequacy of the Committee’s Charter is reviewed annually;
3. together with the Chair of the Board, the Chief Financial Officer and the Company’s external auditor, create and monitor a work plan for the Committee;
4. provide leadership to the Committee to enhance the Committee’s effectiveness;
5. provide information to the Board relative to the Committee’s issues and initiatives and review and submit to the Board an appraisal of the Company’s independent auditor and any internal auditing functions;
6. ensure that the Committee works as a cohesive team with communication, as well as open lines of communication among the independent auditor, financial and senior management and the Board for financial and control matters;
7. ensure that the resources available to the Committee are adequate to support its work and to resolve issues in a timely manner;
8. ensure that the Committee serves as an independent and objective party to monitor the Company’s financial reporting processes and internal control systems, as well as to monitor the relationship between the Company and the independent auditor to ensure independence;
9. ensure that procedures are in place to assess the audit activities of the independent auditor and any internal audit functions;
10. ensure that procedures are in place to review the Company’s public disclosure of financial information and assess the adequacy of such procedures periodically;
11. ensure clear hiring policies are put in place for partners and employees of the external auditor;

12. ensure procedures are in place for dealing with complaints received by the Company regarding accounting, internal controls and auditing matters, and for employees to submit confidential anonymous concerns regarding questionable accounting or auditing matters; and
13. management of the Committee, including:
 - (a) adopting procedures to ensure that the Committee can conduct its work effectively and efficiently, including Committee structure and composition, scheduling, and management of meetings;
 - (b) preparing the agenda for the Committee meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, format and detail;
 - (c) ensuring Committee meetings are appropriate in terms of frequency, length and content;
 - (d) obtaining and reviewing the annual report from the independent auditor with the Committee, and arranging meetings with the external auditor and financial management of the Company to review the scope of the proposed audit for the current year, its staffing and the audit procedures to be used;
 - (e) overseeing the Committee's participation in the Company's accounting and financial reporting processes and the audits of its financial statements;
 - (f) ensuring that the external auditor reports directly to the Committee, as representatives of the Company's shareholders; and
 - (g) annually reviewing the Committee's performance with the Committee.