



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2020 and 2019

(Expressed in thousands of US dollars)

2020

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INTRODUCTION

The following Management's Discussion & Analysis ("MD&A") dated May 13, 2020 is a review of the operations, current financial position and outlook for Ascendant Resources Inc. (the "Company" or "Ascendant") and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2020, and related notes thereto. The unaudited condensed interim consolidated financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). This MD&A should also be read in conjunction with the Company's audited annual consolidated financial statements for the years ended December 31, 2019 and 2018, the related MD&A and the Annual Information Form for the year ended December 31, 2019 (the "2019 Annual Information Form").

Basis of presentation – Discontinued Operations

On April 17, 2020, the Company entered into an agreement to sell its wholly owned subsidiary American Pacific Honduras SA de CV ("AMPAC"), which holds the El Mochito mine, to Kirungu Corporation ("Kirungu"). Under the agreement, Kirungu acquired 100% of the issued and outstanding shares of AMPAC for a purchase price of \$1.0 million cash received upon closing of the transaction on April 27, 2020, and additional future consideration on zinc sales from the El Mochito mine, subject to the future price of zinc, wherein Kirungu will pay Ascendant US\$0.0125 per lb of zinc for all sales through December 31, 2029 when the price of zinc is in excess of US\$1.15 per lb. Upon closing of the transaction, Ascendant also received \$0.1 million in working capital adjustments. Management determined the fair value of the Zinc Payment Agreement using a Black-Scholes Option Pricing model to be \$1.0 million, based on the estimated present value of the cash to be received taking into account future forecast zinc prices and a relevant discount rate.

The comparative results for the first quarter of 2020 have been reclassified to account for AMPAC Assets as discontinued operations in accordance with IFRS 5, *Non-current assets held for sale and discontinued operations*. The results of AMPAC's El Mochito mine have been presented as discontinued operations in the Condensed Interim Consolidated Statement of Operations and the Condensed Interim Consolidated Statements of Cash Flows. Total assets and liabilities of AMPAC are reported as assets and liabilities held for sale, respectively, as at March 31, 2020. Financial position information is neither restated nor remeasured for discontinued operations.

Commencing April 27, 2020, the Company no longer consolidates the results of AMPAC's El Mochito mine in its consolidated financial statements.

This MD&A was reviewed and approved by the Company's Audit Committee and Board of Directors on May 13, 2020. Additional information relating to the Company, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com. The Company uses non-IFRS performance measures in the MD&A which do not have any standardized meaning prescribed by IFRS and therefore may not be directly comparable to similar measures presented by other issuers. The

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Company provides a reconciliation in this MD&A between non-IFRS performance measures and the most closely comparable IFRS performance measures.

COMPANY OVERVIEW & BACKGROUND

Ascendant Resources Inc. is a Toronto-based mining company focused on the exploration and development of the highly prospective Lagoa Salgada VMS project located on the prolific Iberian Pyrite Belt in Portugal. Through focused exploration and aggressive development plans, the Company aims to unlock the inherent potential of the project, maximizing value creation for shareholders.

Lagoa Salgada contains over 12.8 million tonnes of Measured & Indicated ("M&I") Resources and over 10.3 million tonnes in Inferred Resources and demonstrates typical mineralization characteristics of Iberian Pyrite Belt VMS deposits containing zinc, copper, lead, tin, silver and gold. Extensive exploration upside potential lies both near deposit and at prospective step-out targets across the large 10,700 ha property concession. The project also demonstrates compelling economics with scalability for future resource growth in the results of the Preliminary Economic Assessment completed in 2020. Located just 80km from Lisbon, Lagoa Salgada is easily accessible by road and surrounded by exceptional Infrastructure.

In June 2018, Ascendant acquired an initial 21.25% interest in the Lagoa Salgada volcanogenic massive sulphide ("VMS") Project ("Lagoa Salgada" or the "Lagoa Salgada project") in Portugal project through its 25% position in Redcorp - Empreendimentos Mineiros, Lda, ("Redcorp"), which holds an 85% interest in the project. Ascendant also has an earn-in opportunity to increase its interest in the project to 80% upon achieving certain milestones. Mineral & Financial Investments Limited owns the additional 75% of Redcorp. The remaining 15% of the Lagoa Salgada project is held by Empresa de Desenvolvimento Mineiro, S.A. (EDM), a Portuguese Government owned company supporting the strategic development of the country's mining sector. The Company's interest in the Lagoa Salgada project offers a low-cost entry to a potentially significant exploration and development opportunity, already demonstrating its mineable scale.

The 10,700-hectare Project represents a low-cost entry into an early-stage, high-grade, polymetallic exploration opportunity in a low risk, established and prolific jurisdiction, and presents significant exposure to a known, high-grade VMS deposit that has great exploration potential to expand its Mineral Resource Estimate in the near term.

The Company's common shares trade on the Toronto Stock Exchange under the symbol ASND.

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2020 FIRST QUARTER HIGHLIGHTS

Operational Performance

Continuing Operations

As a result of the sale of the El Mochito mine, the first quarter 2020 ("Q1/20") is the last full operating quarter for El Mochito to be included in the results of the Company. As of April 27, 2020, the Company is solely engaged in the exploration and development of the Lagoa Salgada VMS project in Portugal.

Discontinued Operations

Contained metal production for Q1/20 was 28.8 million pounds of zinc equivalent ("ZnEq")¹ metal, comprised of 16.7 million pounds of zinc, 7.4 million pounds of lead and 325k ounces of silver. Total contained metal production for the quarter increased by 23% over the first quarter 2019 ("Q1/19") production of 23.4 million pounds of ZnEq metal due to higher zinc and lead grades and decreased slightly (2%) over the fourth quarter 2019 ("Q4/19") production of 29.4 million pounds of ZnEq metal, due to slightly lower zinc and lead grades and significantly lower silver grades.

Milled production in Q1/20 of 203 kt demonstrated a 5% improvement over 193 kt in Q1/19 and a 9% improvement over 187 kt milled in Q4/19, predominantly a result of seasonal holidays.

The average head grade in Q1/20 of 7.8% ZnEq represents an increase of 16% over Q1/19 average head grades of 6.7% ZnEq resulting from slightly higher zinc (4.4%) and lead (2.1%) grades and higher silver prices, yet represents a decrease of 8% over 8.5% ZnEq in Q4/19 as a result of overall lower grades, especially for silver. The improvement in zinc and lead grades vs Q1/19 is a result of implemented dilution controls and focus on conventional mining from various, small high-grade pillars in the upper historical part of the mine.

Zinc processing recoveries of 83.9% in Q1/20 were marginally lower than 84.2% in Q1/19 and 2% lower than 86.0% in Q4/19 results. Lead recoveries of 79.6% were in line with Q1/19 (79.5%) and Q4/19 (79.9%). Silver recoveries were 80%, 1% higher than 79.0% in Q1/19 but 1% lower than 81.1% in Q4/19.

Financial Performance

Continuing Operations

Continuing operations do not generate revenues for the Company.

Net loss and basic and diluted loss per share from continuing operations for the period was \$1.31 million and \$0.02 compared to \$1.70 million and \$0.02 in Q1/19.

¹ ZnEq grades and contained metal production in ZnEq represents zinc metal considered together with the lead and silver expressed in zinc equivalent terms of zinc using zinc, lead and silver average metal prices and production ratios for each quarter.

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Consolidated Operations

Net loss and basic and diluted loss per share for the period was \$11.14 million and \$0.14 compared to a net loss and basic and diluted loss per share of \$2.41 million and \$0.03 in Q1/19.

The All-In Sustaining Cost ("AISC") per ZnEq payable pound sold in Q1/20 on a consolidated basis including corporate G&A was \$1.03 representing a 21% decrease from \$1.30 in Q1/19 and a 2% decrease from \$1.05 in Q4/19 due to lower corporate G&A. Corporate G&A accounts for \$0.03 AISC per ZnEq payable pound sold in Q1/20, \$0.08 per ZnEq payable pound sold in Q1/19 and \$0.05 ZnEq payable pound sold in Q4/19. The Company expects a material decrease in corporate G&A following the divestiture of El Mochito.

Discontinued Operations

In Q1/20, revenues from discontinued operations was \$13.78 million, as a result of the sale of 29.8 million pounds of ZnEq metal, comprised of 16.5 million pounds of payable zinc in concentrates, 8.8 million pounds of payable lead in concentrates and 325,432 ounces of payable silver in concentrates. Average realized metal prices were \$0.97 per pound zinc, \$0.84 per pound lead and \$16.72 per ounce silver. Revenues for the quarter were down from \$17.78 million in Q1/19 and \$19.97 million in Q4/19 as a result of lower average zinc and lead prices with lower silver grades offsetting the higher silver price in the quarter. Provisional pricing adjustments for the quarter amounted to a negative \$12.35 million against the backdrop of a weak market for base metals.

Net loss and basic and diluted loss per share from discontinued operations in Q1/20 were \$9.83 million and \$0.12 respectively compared to \$0.71 million and \$0.01 in Q1/19. Loss from mining operations in Q1/20 was \$8.11 million versus income from operations in Q1/19 of \$1.26 million.

Adjusted EBITDA including discontinued operations in Q1/20 was a \$9.30 million loss compared to adjusted EBITDA of \$1.45 million in Q1/19.

Cash operating cost per ZnEq payable pound sold for Q1/20 was \$0.64, representing a decrease of 16% from \$0.76 in Q1/19 and a 5% increase from \$0.61 in Q4/19. This decrease over Q1/19 was a result of 16% higher ZnEq grades and the increase over Q4/19 was primarily a result of 8% lower ZnEq grades.

The AISC per ZnEq payable pound sold in Q1/20 on a mine site basis was \$1.00 representing a decrease of 18% from \$1.22 in Q1/19 and was consistent with \$1.00 in Q4/19. The decrease in mine site AISC over Q1/19 is mainly attributable to the higher ZnEq grades and significantly lower sustaining capital expenditures.

Direct operating costs per tonne milled for Q1/20 at El Mochito were \$79.88, in line with Q1/19 direct operating costs per tonne milled of \$80.53, and a 7% decrease compared to Q4/19 direct operating costs per tonne milled of \$85.63 due to the 5% improvement in milled tonnes. Capital expenditures decreased overall, which totaled \$2.7 million in Q1/20 compared to \$4.0 million in Q1/19 and \$3.46 million in Q4/19.

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Lagoa Salgada Project

On January 14, 2020, the Company announced results from its maiden Preliminary Economic Assessment ("PEA") report for the Lagoa Salgada project based on the North Zone only. The Technical Report entitled, "Technical Report and PEA for the Lagoa Salgada Property, Setúbal District, Portugal", supporting the robust results from the maiden PEA for the North Zone at the Lagoa Salgada VMS project was prepared in accordance with Canadian National Instrument 43-101 ("NI 43-101") with an effective date of December 19, 2019.

The report outlines a robust and compelling economic assessment for Lagoa Salgada as it assumes a two-stage underground mining development scenario, with single trackless ramp access, transverse sub-level open stoping method with pastefill. Ventilation and secondary escape ways are planned through raise-bored holes to surface. Milling rates of 2,700 tonnes per day in a standard process circuit is anticipated, with primary crushing, grinding, flotation and leaching of tailings to produce concentrates including lead, zinc, copper and tin, as well as gold and silver doré. There is ample opportunity for extensive expansion from future exploration work to define additional resources to extend the mine life or increase the scale of the outlined operation.

Highlights from the PEA for the North Zone include:

- After-tax IRR of 31% and NPV_{8%} of \$106M (C\$139M @\$1.31CAD/USD)
- Nine-year mine life with production scenario of 2,700 tpd
- Average annual EBITDA of \$54.2 million
- Four-year payback period of initial Capex of \$162.7 million
- Average operating costs of \$49.43/t milled represents low cost production scenario
- Low average annual cash costs of \$0.44/lb ZnEq and average annual All-In Sustaining Cost (AISC) of \$0.66/lb ZnEq
- Significant upside opportunities remain with near-resource exploration targets identified with multiple deposits open laterally and at depth, and broader targets untested

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Highlights of the key project metrics are provided in the following table on a 100% basis:

PEA Key Highlights	
Project IRR pre-tax	37%
NPV _{8%} pre-tax	\$137 million
Project IRR after-tax	31%
NPV _{8%} after-tax	\$106 million
Life of mine pre-tax cash flow	\$ 250 million
Life of mine after-tax cash flow	\$ 202 million
Construction period	2 years
Payback period	4 years
Life of mine	9 years
Average Annual Production	1.0 million tonnes
Initial Capital Expenditure	\$ 162.7 million
LOM Sustaining Capital Expenditure & Closure	\$ 20.2 million
Average annual operating costs	\$ 49.43 /t milled
Average Annual operating costs (C1)	\$0.44 /lb ZnEq
Average annual All-In Sustaining Costs (AISC)	\$0.66 /lb ZnEq
Metal Price Assumptions ¹	
Zinc	\$1.20/lb
Lead	\$1.05/lb
Copper	\$2.70/lb
Silver	\$18/oz
Gold	\$1,400/oz
Tin	\$7.50/lb
Recovery Assumptions	Massive Sulphide
Zn	80%
Pb	65%
Cu	25%
Ag	75%
Au	75%
Sn	30%
Recovery Assumptions	Gossan
Pb	65%
Sn	40%
Ag	66%
Au	86%
Average Annual Metal Production	
Zn	12.5kt
Pb	13.7kt

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Cu	0.2kt
Ag	1.1Moz
Au	13koz
Sn	0.3kt

Notes to Table:

¹ The project economics have been calculated using consensus prices at the time of the Resource Estimate report in September 2019.

The PEA was prepared by AMC Mining Consultants (Canada) Ltd (AMC) with contributions from Resource Development Inc (RDI) for Mineral Processing and Micon International Limited (Micon), who estimated the Mineral Resources.

The PEA is preliminary in nature, as it includes 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 will be realized.

The Technical Report is available for review under the Company's profile on SEDAR and on the Company's website.

The PEA was based on the successful Mineral Resource Estimate announced on February 13, 2019, following the Company's second exploration program at Lagoa Salgada, since acquisition of an interest in the project mid-2018.

The updated Mineral Resource Estimate was prepared in accordance with Canadian National Instrument 43-101 with an effective date of September 5, 2019 and was successful in significantly upgrading the resources at Lagoa Salgada. Results demonstrated material growth in the North Zone (the main massive sulphide) with the conversion of significant resources into the Measured & Indicated category. To date the North Zone has been delineated by less than a total of 76 holes.

Highlights from the Mineral Resource Estimate are as follows:

- North Zone: Measured Mineral Resources increased by 57% to 2.8 Mt at 10.7% ZnEq¹.
- North Zone: Measured & Indicated Mineral Resources increased by 71% to 10.3 Mt at 9.1% ZnEq:
 - 170% increase in the precious metal rich gossan zone to 1.7 Mt at 4.6g/t AuEq².
- Global NI 43-101 Measured and Indicated Resources of 12.8 million tonnes and Inferred Resources of 10.3 million tonnes.
- Drilling in the Central and South Zones identified Copper rich sulphide mineralization. The new resources in these zones are reported in Copper equivalent grades. Future drill programs will focus on expanding and upgrading the strong potential anticipated in these zones.

¹ ZnEq% = ((Zn Grade*25.35)+(Pb Grade*23.15)+(Cu Grade*67.24)+(Au Grade*40.19)+(Ag Grade*0.62))+(Sn Grade*191.75))/25.35

² AuEq(g/t) = ((Zn Grade*25.35)+(Pb Grade*23.15)+(Cu Grade*67.24)+(Au Grade*40.19)+(Ag Grade*0.62))+(Sn Grade*191.75))/40.19

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A summary of the updated Mineral Resource Estimate is set out in the table below:

Lagoa Salgada Mineral Resource Estimate - Effective September 5, 2019

North Zone Mineral Resource Estimate																		
Deposit	Category	Min Zones	Cut-off Tonnes	ZnEq% (kt)	Average Grade								Contained Metal					
					Cu	Zn	Pb	Sn	Ag	Au	ZnEq	AuEq	Cu	Zn	Pb	Sn	Ag	Au
					(%)	(%)	(%)	(%)	(g/t)	(g/t)	(%)	(g/t)	(kt)	(kt)	(kt)	(kt)	(koz)	(koz)
North	Measured(M)	GO	2.5	234	0.13	0.70	4.32	0.36	51	1.50	11.38	7.18	0.3	1.6	10.1	0.9	385.2	11.3
	Indicated(I)	GO	2.5	1,462	0.08	0.43	2.55	0.26	37	0.51	6.63	4.18	1.2	6.2	37.3	3.8	1,742.1	23.8
	M & I	GO	2.5	1,696	0.09	0.47	2.79	0.27	39	0.64	7.28	4.60	1.5	7.9	47.4	4.6	2,127.2	35.1
	Inferred	GO	2.5	831	0.08	0.48	2.62	0.17	27	0.37	5.66	3.57	0.7	4.0	21.8	1.4	727.6	9.9
	Measured(M)	MS	3.0	2,444	0.40	3.12	2.97	0.15	72	0.74	10.95	6.91	9.7	76.3	72.5	3.7	5,623.9	58.4
	Indicated(I)	MS	3.0	5,457	0.45	2.35	2.30	0.13	75	0.67	9.55	6.03	24.5	128.1	125.6	7.3	13,221.5	116.9
	M & I	MS	3.0	7,902	0.43	2.59	2.51	0.14	74	0.69	9.98	6.30	34.2	204.4	198.1	10.9	18,845.5	175.2
	Inferred	MS	3.0	1,529	0.23	1.96	1.32	0.09	45	0.49	6.36	4.01	3.6	30.0	20.2	1.4	2,219.7	24.0
	Measured(M)	Str	2.5	94	0.37	0.88	0.28	0.05	17	0.12	3.08	1.94	0.3	0.8	0.3	0.0	51.0	0.4
	Indicated(I)	Str	2.5	643	0.34	0.90	0.23	0.09	17	0.06	3.23	2.04	2.2	5.8	1.5	0.6	354.0	1.3
	M & I	Str	2.5	737	0.34	0.90	0.24	0.09	17	0.07	3.21	2.03	2.5	6.6	1.7	0.6	405.0	1.7
	Inferred	Str	2.5	142	0.24	1.12	0.39	0.04	17	0.09	2.95	1.86	0.3	1.6	0.6	0.1	75.6	0.4
North	M & I	All zones	2.9	10,334	0.37	2.12	2.39	0.16	64	0.64	9.06	5.72	38.2	219.0	247.2	16.2	21,377.7	212.0
North	Inferred	All zones	2.8	2,502	0.18	1.42	1.70	0.12	38	0.43	5.93	3.74	4.6	35.6	42.6	2.9	3,022.8	34.3

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Central and South Zones Mineral Resource Estimate

Deposit	Category	Min	Cut-off	Tonnes	Average Grade							Contained Metal					
					Cu	Zn	Pb	Sn	Ag	Au	CuEq	Cu	Zn	Pb	Sn	Ag	Au
					(%)	(%)	(%)	(%)	(g/t)	(g/t)	(%)	(kt)	(kt)	(kt)	(kt)	(koz)	(koz)
Central	Inferred	Str	0.9	1,707	0.15	0.16	0.06	0	12	2.22	1.66	2.5	2.7	1.0	-	635.2	121.9
South	Measured(M)	Str/Fr	0.9	0	—	—	—	—	—	—	—						
	Indicated(I)	Str/Fr	0.9	2,473	0.47	1.53	0.83	0.00	19	0.06	1.54	11.5	37.9	20.6	0.0	1,484.7	4.7
South	M & I	Str/Fr	0.9	2,473	0.47	1.53	0.83	0.00	19	0.06	1.54	11.5	37.9	20.6	0.0	1,484.7	4.7
South	Inferred	Str/Fr	0.9	6,085	0.40	1.34	0.80	0.00	17	0.05	1.37	24.6	81.6	48.7	0.0	3,285.2	10.0

Notes to tables:

(1) Mineralized Zones: GO=Gossan, MS=Massive Sulphide, Str=Stringer, Str/Fr=Stockwork

(2) $ZnEq\% = ((Zn\ Grade * 25.35) + (Pb\ Grade * 23.15) + (Cu\ Grade * 67.24) + (Au\ Grade * 40.19) + (Ag\ Grade * 0.62) + (Sn\ Grade * 191.75)) / 25.35$

(3) $CuEq\% = ((Zn\ Grade * 25.35) + (Pb\ Grade * 23.15) + (Cu\ Grade * 67.24) + (Au\ Grade * 40.19) + (Ag\ Grade * 0.62)) / 67.24$

(4) $AuEq(g/t) = ((Zn\ Grade * 25.35) + (Pb\ Grade * 23.15) + (Cu\ Grade * 67.24) + (Au\ Grade * 40.19) + (Ag\ Grade * 0.62) + (Sn\ Grade * 191.75)) / 40.19$

(5) Metal Prices: Cu \$6,724/t, Zn \$2,535/t, Pb \$2,315/t, Au \$1,250/oz, Ag \$19.40/oz, Sn \$19,175/t

(6) Densities: GO=3.12, MS=4.76, Str=2.88, Str/Fr=2.88

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DISCONTINUED OPERATIONS – EL MOCHITO MINE – HONDURAS

The following table is a summary of the Company's key production and operating statistics for the three months ended March 31, 2020 and 2019 at the El Mochito mine.

Key Operating Information		Three months ended March 31,	
		2020	2019
Total Tonnes Mined	tonnes	202,287	201,462
Total Tonnes Milled	tonnes	203,309	192,922
Average Head Grades			
Average Zn grade	%	4.4%	4.2%
Average Pb grade	%	2.1%	1.8%
Average Silver grade	g/t	62	62
ZnEq Head grade	(1) %	7.8%	6.7%
Average Recoveries			
Zinc	%	83.9%	84.2%
Lead	%	79.6%	79.5%
Silver	%	80.0%	79.0%
Contained Metal Production			
Zinc	000's lbs	16,665	15,162
Lead	000's lbs	7,368	5,955
Silver	ozs	324,950	293,287
ZnEq	(1) 000's lbs	28,793	23,370
Payable Production			
Zinc	000's lbs	14,165	12,888
Lead	000's lbs	7,000	5,657
Silver	ozs	227,465	205,301
ZnEq	(1) 000's lbs	24,474	19,865
Payable Metal Sold			
Zinc	000's lbs	16,506	11,776
Lead	000's lbs	8,781	4,890
Silver	ozs	325,432	221,375
ZnEq	(1) 000's lbs	29,785	18,241
Average Realized Metal Price			
Zinc	\$/lb	\$0.97	\$1.24
Lead	\$/lb	\$0.84	\$0.93
Silver	\$/oz	\$16.72	\$15.52
Cash operating cost per ZnEq payable lb sold	(2) \$/ZnEq lb	\$0.64	\$0.76
AISC per ZnEq payable lb sold - El Mochito	(2) \$/ZnEq lb	\$1.00	\$1.22
AISC per ZnEq payable lb sold - Consolidated	(2) \$/ZnEq lb	\$1.03	\$1.30
Direct operating cost per tonne milled (excl. CAPEX)	(2) \$/tonne	\$79.88	\$80.53
(1) Assumes average spot metal prices for the period.			
(2) This is a non-IFRS performance measure, see Non-IFRS Performance Measures section of the			

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Financial		Three months ended March 31,	
		2020	2019
Total revenue from discontinued operations	\$000's	13,777	17,784
Mine operating expenses from discontinued operations	\$000's	21,891	16,529
Income (loss) from discontinued mining operations	\$000's	(8,114)	1,255
Loss from discontinued operations	\$000's	(9,826)	(714)
Loss from continuing operations	\$000's	(1,312)	(1,696)
Net loss for the period	\$000's	(11,138)	(2,410)
Adjusted EBITDA	(2) \$000's	(9,302)	1,446
Operating cash flow before movements in working capital from continuing operations	(2) \$000's	(1,231)	(1,347)
Operating cash flow from continuing operations	(2) \$000's	(538)	(778)
Operating cash flow before movements in working capital from discontinued operations	(2) \$000's	(7,533)	9,388
Operating cash flow	\$000's	10,371	8,223
Cash and cash equivalents	\$000's	47	11,813
Working capital surplus (deficiency)	\$000's	372	(5,023)
Capital Expenditures from discontinued operations	\$000's	2,701	4,020
(1) Assumes average spot metal prices for the period.			
(2) This is a non-IFRS performance measure, see Non-IFRS Performance Measures section of the			

Production of zinc and lead concentrate is trucked daily from the El Mochito mine to the port of Puerto Cortes where zinc and lead concentrates are stored until sufficient inventory is available for shipment.

The Company recognizes revenue from provisional invoicing once the concentrate has been loaded on the vessel or otherwise aggregated, all the performance obligations have been fulfilled and control is transferred to the customer. Final metal pricing occurs according to the quotational period stated in the offtake agreement and changes in metal prices during the quotational period may have a significant impact on the financial results of the Company.

Given the Company's revenue recognition policy and shipment schedule, the dry metric tonne ("DMT") concentrate produced in any given quarter may not be immediately reflected in its revenue. The timing difference between DMT concentrate produced and revenue recognized tends to decrease significantly when viewed on a yearly basis. In Q1/20, the Company produced 15,525 DMT of zinc concentrates and 5,200 DMT of lead concentrate and sold 18,852 DMT of zinc concentrate and 6,527 DMT of lead concentrate.

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OUTLOOK

Q1 2020 represents the last full operating quarter, as the Company completed the sale of the El Mochito mine on April 27, 2020. For further details of the sale transaction, please refer to the Company's press release dated April 17, 2020.

Despite the operational successes achieved at El Mochito since the acquisition of mine in December 2016, the Company's financial performance continued to be affected by the turbulent metals market putting downward pressure on zinc and lead prices, high-treatment and refining charges, continued costs pressures and additional required capital investment at the mine site. With the mine not meeting the Company's profitability objectives and the recognition of the significant funding required to continue operations in addition to the investment needed for long-term optimization, the Company made the prudent and strategic decision to sell the mine.

The sale of the mine provided immediate strengthening of the Company's financial position with the receipt of a cash consideration of \$1.0 million plus an additional \$0.1 million in working capital adjustments. More importantly, the sale eliminated the Company's direct AMPAC expenses, liabilities and obligations, including a working capital deficiency from discontinued operations of \$26.56 million (see Note 4 to the interim consolidated financial statements). The Company also maintains upside exposure to zinc through a royalty on zinc sales from the El Mochito mine subject to the future price of zinc, wherein Ascendant will receive US\$0.0125 per lb of zinc for all sales through December 31, 2029 when the price of zinc is in excess of US\$1.15 per lb.

The divestiture of El Mochito now enables Ascendant to focus on its highly attractive, high-grade Lagoa Salgada VMS project located on the prolific Iberian Pyrite Belt in Portugal and devote the desired resources to a project that the Company believes will be a significant driver of growth and value.

The planned exploration program this year at Lagoa Salgada will include downhole IP and drilling aimed at expanding and upgrading the copper-rich resource in the Central and South Zones with additional drilling of the southern extension of the high-grade massive sulphide mineralization of the North Zone expected to expand the Indicated Mineral Resources. The program also includes four metallurgical drill holes for further metallurgical testing. All zones remain open along strike and at depth and from the extensive ongoing gravimetric work conducted on the LS West region, there is strong indication mineralization extends in all directions providing confidence in the potential growth potential. Please refer to the Company's April 23, 2020 press release for further details on the 2020 planned exploration program.

Based on results from the 2020 drill program at Lagoa Salgada, the Company plans to complete an updated Mineral Resource Estimate in the latter half of the year which will be used as a basis for a Feasibility Study to begin thereafter.

The results of the PEA for Lagoa Salgada, announced on January 14, 2020, highlight the robust potential of the project and outlines a compelling case for the future growth potential of the project. Management expects Lagoa Salgada to be an important value driver for the Company going forward as we seek to rapidly develop the Project towards its mineable potential. The Company is actively

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engaged with potential strategic and financial partners for funding the advancement and development of the Lagoa Salgada property.

Following the quarter, on April 6, 2020, the Company appointed Mr. Joao Barros to the position of President, Ascendant Portugal. Mr. Barros is currently President of Redcorp – Empreendimentos Mineiros, Lda., the joint venture company in which Ascendant has its investment and is earning an 80% interest in Lagoa Salgada. Mr. Barros has been instrumental in the advancement of the Lagoa Salgada project over the past twelve years, and most recently under Ascendant's direction. Mr. Barros has a strong technical background having significant senior mining management experience with the exploration and development of numerous polymetallic VMS, gold and tungsten operations in Portugal. His depth of experience and history with the project provide a great deal of confidence in our continued success under his direction in country.

Also strengthening our position in Portugal, on May 6, 2020, the Company announced Mr. Rui Botica Santos has joined the Company's Board of Directors. Mr. Santos is a lawyer based in Portugal who is widely regarded as a leading authority in the mining sector in Portugal. Mr. Santos has spent over 20 years representing/assisting domestic and international corporations in negotiations and disputes with the State regarding land acquisitions, exploration, extraction and environmental licenses, for both the mining and oil and gas industries in Portugal, Angola, Brazil and East Timor. Most notably, he was the legal advisor for major privatization transaction regarding the acquisition of Somincor by EuroZinc, which is now Lundin Mining's Portuguese subsidiary operating the large-scale Neves-Corvo mine in Portugal. Mr. Santos is a Partner of CRA - Coelho Ribeiro e Associados – Portuguese Law Firm, where he leads the firm's Arbitration and Mining practices.

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DISCUSSION OF OPERATIONS – Including Discontinued Operations – AMPAC's El Mochito Mine

Three months ended March 31, 2020 versus the three months ended March 31, 2019

Contained metal production was up 23% to 28.8 million (Q1/19 – 23.4 million) ZnEq lbs using average realized metal prices during the three months ended March 31, 2020 and 2019 respectively.

Revenue of \$13.78 million (Q1/19 - \$17.78 million) resulted from the sale of 16.5 million (Q1/19 – 11.8 million) pounds of zinc in concentrates, and 8.8 million (Q1/19 – 4.9 million) pounds of lead in concentrates. Average realized metal prices in USD were \$0.97 per pound zinc (Q1/19 – \$1.24), \$0.84 per pound lead (Q1/19 - \$0.93) and \$16.72 per ounce silver (Q1/18 - \$15.52). During the quarter, the Company produced 24.5 million (Q1/19 – 19.9 million) ZnEq payable lbs and sold 29.79 million (Q1/19 - 18.2 million) ZnEq payable lbs.

Revenue from the sale of concentrate decreased by 23% during the first quarter 2020 compared against the first quarter of 2019 due primarily to lower average realized metal prices than the comparative period, and the timing of sales resulting in pricing adjustments on initial estimate of provisionally priced sales of approximately \$12.35 million.

Total mine operating expenses of \$21.89 million (Q1/19 - \$16.53 million) related to the sale of concentrate at El Mochito mine, resulted in direct operating costs for the quarter of \$79.88 per tonne milled (Q1/19 - \$80.53) (see Non-IFRS measures at the end of this MD&A).

The Company's milled production during the three months ended March 31, 2020 was 5% higher (203,309 tonnes vs 192,922 tonnes), and the ZnEq head grade increased 16% from 6.7% to 7.8%.

During the three months ended March 31, 2020, the Company incurred general and administrative expenses from continuing operations of \$0.97 million (Q1/19 – \$1.31 million) before non-cash share-based compensation of \$0.01 million (Q1/19 - \$0.13 million). The overall decrease in general and administrative expenses of \$0.46 million is due primarily to a decrease in wages and salaries during the quarter of \$0.28 million attributed to a decrease in accrued bonuses, and a decrease in share-based payments of \$0.12 million attributed to the timing of vesting of RSUs.

During the three months ended March 31, 2020 the Company recorded other loss from continuing operations of \$0.33 million (Q1/19 – loss of \$0.26 million). The overall decrease in other losses of \$0.07 million is due primarily to an increase in foreign exchange loss in Q1/20 of \$0.22 million, offset by a decrease in advances to joint venture in Q1/20 of \$0.15 million.

Net loss and basic and diluted loss per share for the three months ended March 31, 2020 was \$11.14 million and \$0.14 compared to a net loss and basic and diluted loss per share of \$2.41 million and \$0.03 in Q1/19. Net loss and basic and diluted loss per share from continuing operations for the period was of \$1.31 million and \$0.02 compared to \$1.70 million and \$0.02 in Q1/19.

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CASH FLOWS

Operating Activities

		Three Months Ended March 31 2020	2019 Restated (Note 4)
	Notes		
OPERATING ACTIVITIES			
Net (loss) income for the period		\$ (1,312)	\$ (1,696)
Add (deduct) the following items			
Advances to joint venture	7	40	189
Depreciation	8	26	27
Share based payments	18	15	133
Operating cash flows before changes in working capital		(1,231)	(1,347)
Net change in non-cash operating working capital balances	25	693	569
Operating cash flows (used in) continuing operations		(538)	(778)
Operating cash flows before changes in working capital from discontinued operations	4	(7,533)	9,388
Net change in non-cash operating working capital balances from discontinued operations	4	18,442	(387)
Operating cash flows from discontinued operations	4	10,909	9,001
Net cash flows provided by operating activities		10,371	8,223

Cash flow provided by operating activities in Q1/20 was \$10.37 million (Q1/19 - \$8.22 million), an increase of \$2.15 million due to the reasons explained further below.

Cash flow used in operating activities of continuing operations in Q1/20 was \$0.54 million (Q1/19 - \$0.78 million), a decrease of \$0.24 million due mainly to an increase of \$0.2 million in accounts payable and accrued liabilities.

Operating cash flows before changes in working capital from discontinued operations in Q1/20 was negative \$7.5 million due to lower metal prices. In Q1/19 operating cash flows before changes in working capital from discontinued operations was \$9.4 million, primarily as a result of receipt of \$7.5 million of a silver stream advance. Cash provided by changes in non-cash working capital from discontinued operations in Q1/20 was \$18.44 million compared to cash used of \$0.39 million in Q1/19, in increase of \$18 million. The increase primarily reflects \$12.35 million of negative pricing adjustments on the initial estimate of provisionally priced sales from El Mochito operations that have yet to be settled for cash as of Q1/20 and total \$8.91 million as at March 31, 2020. Other significant changes in non-cash working capital from discontinued operations during the quarter was a \$2.85 million reduction in concentrate inventory as well as an increase of \$3.76 million in accounts payable and accrued liabilities, excluding any obligations related to provisionally priced sales.

Investing Activities

Cash used in investing activities in Q1/20 was \$2.74 million (Q1/19 - \$4.21 million), an increase of \$1.47 million.

Cash flow used in operating activities of continuing operations in Q1/20 was \$0.04 million (Q1/19 - \$0.19 million), due entirely to advances made to the Lagoa Salgada Project joint venture.

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Included in cash used in investing activities was cash used in investing activities from discontinued operations of \$2.70 million in Q1/20 compared to cash used of \$4.02 million in Q1/19, due mainly to capital expenditures in connection with the El Mochito mine operations and new equipment required to increase production.

Financing Activities

Cash used in financing activities in Q1/20 was \$9.40 million (Q1/19 – cash provided of \$3.94 million).

Cash flow used in financing activities of continuing operations in Q1/20 was \$0.07 million (Q1/19 - \$Nil), due entirely to timing of lease payments.

Included in cash flow used in financing activities was cash used in financing activities from discontinued operations of \$9.33 million in Q1/20 compared to cash provided of \$3.94 million in Q1/19, due mainly to repayment of \$10 million facility in Q1/20, compared to proceeds from facilities of \$5.60 million, offset by repayments of \$1.56 million in Q1/19.

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SUMMARY OF QUARTERLY RESULTS

The following tables provide highlights, extracted from the Company's financial statements, of quarterly results for the past eight quarters. The changes in the tables below largely reflect the ramp up in capital expenditures and operations of the El Mochito mine.

The exchange rates used for the quarterly financial information were as follows:

U.S. Dollar/Cdn Dollar exchange rate	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018
Closing rate at the reporting date	1.4187	1.2988	1.3243	1.3087	1.3363	1.3642	1.2945	1.3168
Average for the period	1.3559	1.3200	1.3292	1.3336	1.3295	1.3204	1.3070	1.2911

		Three months ended			
		March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Total assets	\$000's	68,314	75,424	75,661	73,299
Total revenue from discontinued operations	\$000's	13,777	19,968	22,032	18,033
Working capital surplus (deficiency)	\$000's	372	(17,054)	(17,352)	(11,813)
Net income (loss) for the period	\$000's	(11,138)	3,591	(5,214)	(4,177)
Basic earnings (loss) per share	\$/share	(0.14)	0.05	(0.07)	(0.05)
Diluted earnings (loss) per share	\$/share	(0.14)	0.04	(0.07)	(0.05)

		Three months ended			
		March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Total assets	\$000's	79,772	66,071	67,012	64,599
Total revenue from discontinued operations	\$000's	17,784	21,564	13,359	22,657
Working capital surplus (deficiency)	\$000's	(5,023)	(7,110)	757	8,961
Net (loss) income for the period	\$000's	(2,410)	(3,020)	(3,853)	4,582
Basic earnings (loss) per share	\$/share	(0.03)	(0.04)	(0.05)	0.06
Diluted earnings (loss) per share	\$/share	(0.03)	(0.04)	(0.05)	0.06

Concentrate revenues account for a portion of the quarter-to-quarter increase in total assets during 2018 and 2019, where much of the increase is attributed to the acquisition of property, plant and equipment million including continued underground capitalized development at the El Mochito mine. The Company also raised \$9.54 million, on a net basis, during 2019 in revolving facilities, compared to \$4.78 million during 2018.

Revenues commenced in the first quarter of 2017 at the El Mochito mine, and fluctuated quarter-to-quarter due to increased production and metal price volatility throughout 2017, 2018 and 2019. Throughout fiscal 2019 and the first quarter of 2020, metal prices weakened as pressure from global trade tensions intensified, resulting in decreased revenues over the period.

The Company's working capital increased in the first quarter of 2018 due to an increased accounts receivable and increased cash balance, largely resulting from increased production and rising zinc and lead prices. The Company's working capital has decreased since the second quarter of 2018 due to continued capital expenditures at El Mochito mine, and a decrease in accounts receivable, largely resulting from a decrease in zinc and lead prices.

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LIQUIDITY AND CAPITAL RESOURCES

The Company's Consolidated Financial Statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

In December 2019, a novel strain of the Coronavirus emerged in China which has now been declared a pandemic by the World Health Organization. The extent to which the coronavirus impacts the Company's business, including its operations, the market for its securities, and the ability to access financing will depend on future developments, which are highly uncertain and cannot be predicted at this time. However, the impact of COVID-19 has had a significant impact on the global economy including zinc prices which declined significantly in March 2020. This in turn had a significant negative impact on the financial position and results of operations of the El Mochito Mine, and correspondingly, on the Company.

In April 2020, Ascendant entered into a share purchase agreement with Kirungu Corporation ("Kirungu"), to sell all of the issued and outstanding shares of AMPAC and its El Mochito mine (see note 4). The sale was completed by April 27, 2020. Ascendant remains focused on its high-grade Lagoa Salgada VMS project in the Iberian Pyrite Belt in Portugal. The Company is also engaged in the evaluation of producing and advanced development stage mineral resource opportunities, on an ongoing basis.

At March 31, 2020 the Company had a minimal cash balance at Corporate. Following the closing of the sale of AMPAC on April 27, 2020, the Company's ability to continue as a going concern is dependent upon its ability to raise additional financing to be able to further explore its mineral properties, retain mining rights and to meet ongoing requirements for general operations. Even if the Company has been successful in the past in doing so, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to Ascendant. These matters represent a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

The consolidated financial statements do not include adjustments to the carrying values of recorded assets and liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments may be material.

Contractual Obligations and Commitments

The Company has not entered into any significant long-term lease commitments other than those outlined under Note 13 in the Company's Consolidated Financial Statements.

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FINANCIAL INSTRUMENTS HIERARCHY AND FAIR VALUES

The following represents the carrying value and fair value of the Company's financial instruments and non-financial derivatives:

Recurring measurements	March 31, 2020		December 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Amortised cost				
Cash	(i) \$ 47	\$ 47	\$ 1,684	\$ 1,684
Trade and other receivables	(i)(ii) -	-	3,601	3,601
Due from related parties	821	821	895	895
Total financial assets	868	868	6,180	6,180
Financial liabilities				
Amortised cost				
Trade and other payables	(i)(ii) 1,956	1,956	18,122	18,122
Credit facility	(iii) -	-	4,314	4,314
Revolving prepayment facility	(iii) -	-	10,000	10,000
Total financial liabilities	1,956	1,956	32,436	32,436
Net financial asset (liability)	\$ (1,088)	\$ (1,088)	\$ (26,256)	\$ (26,256)

- (i) Cash, trade and other receivables, and trade and other payables are recorded at carrying value, which approximates fair value due to their short-term nature and generally negligible credit losses.
- (ii) Excludes tax and other statutory amounts.
- (iii) Derivatives and embedded provisional pricing derivatives are carried at their fair value, which is determined on internal valuation models that reflect observable market commodity prices.
- (iv) The carrying values of the facilities approximate the fair values due to their short-term nature.

Fair value hierarchy

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

Level 1 – Quoted prices in active markets for identical assets or liabilities;

Level 2 – Valuation techniques use significant observable inputs, either directly or indirectly, or valuations are based on quotes prices for similar instruments; and

Level 3 – Valuation techniques use significant inputs that are not based on observable market data.

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The Company's financial assets and liabilities are recorded and measured as follows:

- The fair values for cash, trade and other receivables, due from related parties, trade and other payables, finance leases and revolving credit facility, approximate carrying values due to the immediate or short-term maturities of these financial instruments and are classified as Level 1 in accordance with their fair value hierarchy.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels of the date of the event or change in circumstances that caused the transfer. During the three months ended March 31, 2020 and years ended December 31, 2019 and 2018, the Company did not make any transfers.

DISCLOSURE OF OUTSTANDING SHARE DATA

Ascendant is authorized to issue an unlimited number of common shares and preferred shares. A detailed description of the rights, privileges, restrictions and conditions attached to each class of authorized shares are included in our Annual Information Form for the year ended December 31, 2019, a copy of which can be found on SEDAR at www.sedar.com.

As of May 13, 2020, the number of common shares outstanding or issuable pursuant to other outstanding securities is as follows:

Common Shares		Number
Outstanding	(i)	81,247,140
Issuable upon exercise of Ascendant options	(ii)	407,000
Issuable upon exercise of Ascendant warrants	(iii)	11,787,500
Issuable upon redemption of Ascendant RSUs	(i)	2,309,999
Diluted common shares		95,751,639

- (i) There were 3,555,001 shares issued on January 24, 2020 pursuant to redemption of 3,555,001 vested RSUs.
- (ii) There were 407,000 stock options under our share plan outstanding to directors, officers, employees and others with an exercise price of Cdn\$0.25 and expiring between June 15, 2020 to October 27, 2020.
- (iii) There were 11,787,500 common share purchase warrants outstanding with an exercise price of Cdn\$1.25 and expiring on March 7, 2022.

Ascendant has not issued any preferred shares.

FINANCIAL CONDITION

As at March 31, 2020, the Company's cash balance was \$0.05 million. Total current assets were \$63.89 million and total current liabilities were \$63.11 million for working capital surplus of \$0.78 million.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

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RELATED PARTY TRANSACTIONS AND BALANCES

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

(a) Compensation of key management personnel

	Three months ended	
	March 31, 2020	March 31 2019
Management compensation	\$ 475	\$ 589
Directors' fees	34	34
Share-based payments	13	132
	\$ 522	\$ 755

(b) Due from related parties

During the years ended December 31, 2018 and 2017, the Company granted loans to certain directors and officers of the Company to cover the tax liability in respect of the vested RSUs. These loans bear interest at the Canada Revenue Agency's ("CRA") quarterly prescribed interest rate used to calculate employee and shareholder loans calculated annually and payable on the earlier of: (i) demand by the Company, (ii) sale by the directors and officers of the common shares underlying the vested RSUs, and (iii) April 18, 2022 and August 24, 2023 for the April 2017 RSU recipients, and November 22, 2022 for the November 2017 RSU recipients.

As at March 31, 2020, amounts due from related parties including the balance related to these loans and accrued interest, as well as the office sub-lease payments receivable (see Note 5) is \$1,055 (December 31, 2019 - \$1,145).

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NON-IFRS PERFORMANCE MEASURES

The non-IFRS performance measures presented do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be directly comparable to similar measures presented by other issuers.

Non-IFRS reconciliation of adjusted EBITDA

EBITDA is a non-IFRS measure that represents an indication of the Company's continuing capacity to generate earnings from operations before taking into account management's financing decisions and costs of consuming capital assets, and management's estimate of their useful life. EBITDA comprises revenue less operating expenses before interest expense (income), property, plant and equipment amortization and depletion, and income taxes. Adjusted EBITDA has been included in this document. Under IFRS, entities must reflect in compensation expense the cost of share-based payments. In the Company's circumstances, share-based payments involve a significant accrual of amounts that will not be settled in cash but will be settled by the issuance of shares in exchange for cash. EBITDA and adjusted EBITDA do not have any standardized meaning prescribed by IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. EBITDA and adjusted EBITDA exclude the impact of cash costs of financing activities and taxes, and the effects of changes in operating working capital balances, and therefore are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate EBITDA and adjusted EBITDA differently. As such, the Company has made an entity specific adjustment to EBITDA for these expenses. The Company has also made an entity-specific adjustment to the foreign currency exchange (gain)/loss.

The following table provides a reconciliation of net income (loss) to adjusted EBITDA:

Adjusted EBITDA		Three months ended March 31,	
		2020	2019
Net income (loss)	\$000's	(11,138)	(2,410)
<i>Adjusted for:</i>			
Impairment loss	\$000's	404	-
Advances to joint venture	\$000's	40	189
Depletion and depreciation from discontinued operations	\$000's	50	1,610
Finance expenses	\$000's	722	397
Accretion expense on rehabilitation liabilities from discontinued operations	\$000's	50	67
Charge on termination obligations from discontinued operations	\$000's	392	1,119
Share-based payments	\$000's	15	133
Foreign currency exchange gain/loss	\$000's	21	70
Income taxes from discontinued operations	\$000's	142	271
Adjusted EBITDA	\$000's	(9,302)	1,446

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Direct operating cost per tonne milled

The Company uses the non-IFRS measure of direct operating cost per tonne milled to manage and evaluate operating performance. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flows. Accordingly, it 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. The Company considers mine operating expenses per tonne milled to be the most comparable IFRS measure to direct operating cost per tonne milled and has included calculations of this metric in the reconciliations within the applicable tables to follow.

Direct operating cost per tonne milled includes mine direct operating production costs such as mining, processing, administration, indirect charges such as surface maintenance and camp expenses but does not include, smelting, refining and freight costs, royalties, depreciation, depletion, amortization, reclamation, and capital costs.

Cash operating costs

Cash operating costs is a financial performance measure with no standard meaning under IFRS. Ascendant reports total operating cash costs on a sales basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate operating earnings and cash flow from its mining operations. Management uses this metric as an important tool to monitor operating cost performance.

Total operating cash costs include operating costs, such as mining, processing charges divided by ZnEq payable pounds sold to arrive at total cash operating costs per ZnEq payable pound sold. The measure also includes other mine related costs incurred such as variation in inventory. Operating costs are exclusive of depreciation. Other companies may calculate this measure differently.

All-in Sustaining Costs

All- Sustaining Costs per ZnEq payable pound includes mine direct operating costs (mining, administration and other mine related costs incurred such as variation in inventory and termination liability payments) as well as smelter treatment, refining and freight costs, royalties, corporate G&A and sustaining capital costs, divided by ZnEq payable pounds sold. The measure does not include depreciation, depletion, amortization and reclamation expenses.

The following table provides a reconciliation of direct operating costs and All-in Sustaining Costs to mine operating expenses, as reported in the Company's consolidated statement of income (loss) for the three months ended March 31, 2019 and 2018:

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Direct operating cost per tonne milled		Three months ended March 31,	
		2020	2019
Mine operating expenses (from consolidated income statement)	\$000's	21,891	16,529
Add: Termination Liability Payments	\$000's	(45)	10
Deduct (Add): Variation in Finished Inventory	\$000's	(2,854)	1,589
Deduct: Depreciation in production	\$000's	(2,079)	(1,583)
Total cash costs (including royalties)	\$000's	16,913	16,545
Deduct: Government taxes and royalties	\$000's	(673)	(1,009)
Direct operating costs	\$000's	16,240	15,536
Tonnes Milled	tonnes	203,309	192,922
Direct operating cost per tonne milled	\$/tonne	\$79.88	\$80.53

AISC per ZnEq payable pound sold		Three months ended March 31,	
		2020	2019
ZnEq payable pounds sold	000's lbs	29,785	18,241
Cash Operating Costs Reconciliation			
Direct operating costs	\$000's	16,240	15,536
Add (deduct): Variation in Finished Inventory	\$000's	2,854	(1,589)
Cash operating costs	\$000's	19,094	13,947
Cash operating cost per ZnEq payable pound sold	\$/ZnEq lb	\$0.64	\$0.76
All-in Sustaining Costs (AISC) Reconciliation			
Total cash operating costs	\$000's	19,094	13,947
Add: Government taxes and royalties	\$000's	673	1,009
Add: TC & RCs	\$000's	7,303	3,497
Add: G&A, excluding depreciation and amortization	\$000's	955	1,412
Add: Accretion expense on rehabilitation liabilities	\$000's	50	67
Add: Sustaining capital expenditure	\$000's	2,701	3,778
Total All-in sustaining costs - Consolidated	\$000's	30,776	23,710
Deduct: G&A, excluding depreciation and amortization	\$000's	(955)	(1,412)
Total All-in sustaining costs - El Mochito	\$000's	29,821	22,298
AISC per ZnEq payable pound sold - Consolidated	\$/ZnEq lb	\$1.03	\$1.30
AISC per ZnEq payable pound sold - El Mochito	\$/ZnEq lb	\$1.00	\$1.22

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Additional Non-IFRS measures

The Company uses other financial measures, the presentation of which is not meant to be a substitute for other subtotals or totals presented in accordance with IFRS, but rather should be evaluated in conjunction with such IFRS measures. The following other financial measures are used:

- Operating cash flows before movements in working capital - excludes the movement from period-to-period in working capital items including trade and other receivables, prepaid expenses, deposits, inventories, trade and other payables and the effects of foreign exchange rates on these items.

The terms described above do not have a standardized meaning prescribed by IFRS, and therefore the Company's definitions are unlikely to be comparable to similar measures presented by other companies. The Company's management believes that their presentation provides useful information to investors because cash flows generated from operations before changes in working capital excludes the movement in working capital items. This, in management's view, provides useful information of the Company's cash flows from operations and are considered to be meaningful in evaluating the Company's past financial performance or its future prospects. The most comparable IFRS measure is cash flows from operating activities.

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USE OF ACCOUNTING ESTIMATES AND JUDGEMENTS

Refer to Note 3 of the consolidated financial statements of the Company for the three months ended March 31, 2020 and year ended December 31, 2019.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting ("ICFR")

The Company's management, including the CEO and CFO, is responsible for the design of disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"). Ascendant adheres to the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) revised 2013 Internal Control Framework for the design of its ICFR. There was no material change to the Company's internal controls over financial reporting that occurred during the first quarter of 2020 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

The evaluation of DC&P and ICFR was carried out under the supervision of and with the participation of management, including Ascendant's CEO and CFO. Based on these evaluations, the CEO and the CFO concluded that the design and operation of these DC&P and ICFR were effective throughout the first quarter of 2020.

RISKS AND UNCERTAINTIES

The Company's business contains significant risk due to the nature of mining, exploration, and development activities. For additional discussion of these and other risk factors, please refer to the Company's Annual Information Form for the year ended December 31, 2019, which can be found under the Company's profile at www.sedar.com.

Unfavourable global economic conditions

The Company's results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. A severe or prolonged economic downturn could result in a variety of risks to our business, including our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy could strain our suppliers, possibly resulting in supply disruption, or cause delays in payments for our services by third-party payors. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current our future economic climate and financial market conditions could adversely impact our business. For example, in December 2019, a novel strain of COVID-19 has been reported in many countries around the globe. The extent to which the COVID-19 impacts our results will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning the severity of the COVID-19 and the actions required to contain the COVID-19 or remedy its impact, among others.

Limited Operating History

The Company has a limited history of earnings. The Company's continued operation will be dependent upon its ability to generate operating revenues and to procure additional financing.

Exploration, Development and Production Risks

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Mining and mineral operations involve many risks that even a combination of experience and knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Company will depend on its ability to find, acquire, develop and commercially produce mineral deposits. Without the continual addition of new resources, any existing resources the Company may have at any particular time and the production therefrom will decline over time as such existing resources are exploited. A future increase in the Company's resources will depend not only on its ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that the Company will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that further commercial quantities of resources will be discovered or acquired by the Company.

Mining and Processing

Mining operations involve a high degree of risk. Such operations are subject to all the hazards and risks normally encountered in the development and production of zinc, lead, silver and other base or precious metals in a developing country, including but not limited to:

- environmental hazards;
- discharge of pollutants or hazardous chemicals;
- industrial accidents;
- failure of processing and mechanical equipment and other performance problems;
- labour force disruptions;
- unavailability of materials and equipment;
- interruption of power supply;
- unanticipated transportation costs;
- changes in the regulatory environment;
- climate change, including changes to weather patterns, increased frequency of extreme weather events, temperatures and water availability;
- unusual and unexpected geologic formations, water conditions, surface or underground conditions and seismic activity;
- diseases perceived as a serious threat to maintaining a skilled workforce;
- cybersecurity breaches, hacking and cyberterrorism;
- unanticipated changes in metallurgical and other processing problems; and
- rock bursts, cave-ins, structural failures, flooding and fire.

Any of these can materially and adversely affect, among other things, the development of properties, production quantities and rates, costs, capital expenditures and production commencement dates. Such risks could also result in: damage to, or destruction of, mines and other producing facilities; damage to property; loss of key employees; loss or compromise of data, financial and other digital records and information; environmental damage; delays in mining, monetary losses and possible legal liability.

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As a result of the foregoing risks, expenditures on all projects, actual production quantities and rates, and cash costs may be materially and adversely affected and may differ materially from anticipated expenditures, production quantities and rates, and costs. In addition, estimated production dates may be delayed materially, especially to the extent that development projects are involved. Any such events can materially and adversely affect the Company's business, financial condition, results of operations and cash flows.

Competition

The mining industry is competitive in all its phases. The Company will compete with numerous other participants in the search for the acquisition of mineral properties and in the marketing of mineral resources. Their competitors include mining companies that have substantially greater financial resources, staff and facilities than those of the Company, as the case may be. The Company's ability to increase resources in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of mineral resources include price and methods and reliability of delivery.

Regulatory

Mining operations (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government that may be amended from time to time. The Company's operations may require licenses from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary approvals, licenses and permits that may be required to carry out exploration and development at its projects. A failure to obtain such approval on a timely basis or material conditions imposed by such authority in connection with the approval would materially affect the prospects of the Company.

Environmental

All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of resources or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Company to incur costs to remedy such discharge. Although the Company believes that it will be in material compliance with current applicable environmental regulations no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

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Market Conditions

In the last decade, market events and conditions, including the disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, have caused significant volatility in commodity prices. These conditions also caused a loss of confidence in the broader US and global credit and financial markets and resulted in the collapse of, and government intervention in, major banks, financial institutions and insurers and created a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. More recently, there has been mounting government debt in many western nations, significant volatility and depression in the price of oil and numerous environmental disasters globally. These events are illustrative of the effect that events beyond the Company's control may have on commodity prices, demand for metals such as zinc, lead and silver, availability of credit, investor confidence and general financial market liquidity, all of which may affect the Company's business. Any or all of these economic factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, resulting in impairment losses. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Common Shares may be adversely affected.

Issuance of Debt

From time to time Ascendant may enter into transactions to acquire assets or the shares of other Companies. These transactions may be financed partially or wholly with debt, which may increase the Company's debt levels above industry standards. Depending on future exploration and development plans, the Company may require additional equity and/or debt financing that may not be available or, if available, may not be available on favorable terms. Neither the Company's articles nor its by-laws limit the amount of indebtedness that Ascendant may incur. The level of the Company's indebtedness from time to time could impair the Company's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Impairment of PP&E assets

Under IFRS, impairment of PP&E is calculated at a more granular level than under the Canadian GAAP Full Cost Accounting method where all the Company's mining assets are accumulated into costs centres. Impairment calculations are performed at a "Cash Generating Unit" level ("CGUs") by comparing the CGUs carrying value to a corresponding risk adjusted recovery of proved and probable resources. The Company has allocated its costs to each block acquired during the year based on individual acquisition costs and on the Company's proved plus probable resources or resource values where costs were not separately identified.

Resource Estimates

There are numerous uncertainties inherent in estimating quantities of resources and cash flows to be derived there from, including many factors that are beyond the control of the Company. The resource and cash flow information set forth herein represent estimates only. These evaluations include a number of assumptions relating to factors such as initial production rates, production decline rates,

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ultimate recovery of resources, timing and amount of capital expenditures, marketability of production, future prices, operating costs and royalties and other government levies that may be imposed over the producing life of the resources. These assumptions were based on price forecasts in use at the date the relevant evaluations were prepared and many of these assumptions are subject to change and are beyond the control of the Company. Actual production and cash flows derived there from will vary from these evaluations, and such variations could be material. The foregoing evaluations are based in part on the assumed success of activities the Company intends to undertake in future years. The resources and estimated cash flows to be derived there from contained in such evaluations will be reduced to the extent the Company fails to achieve success on the activities to be undertaken in future years.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, civil unrest and political instability, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in development or mining, monetary losses and possible legal liability. The Company will maintain insurance to protect against certain other risks in such amounts as it considers reasonable. However, its insurance will not cover all the potential risks associated with its operations.

The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Reliance on Key Personnel

The Company's success will depend in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse effect on the Company. The Company does not anticipate having key person insurance in effect for management. The contributions of these individuals to the immediate operations of the Company are likely to be of central importance. In addition, the competition for qualified personnel in the mining industry is intense and there can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the development and operation of its business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Company.

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Labour and Employment Matters

Relations with employees and key skilled personnel in Portugal or any other country in which the Company has a presence, could be impacted by changes in the scheme of labour relations that may be introduced by relevant governmental authorities. Adverse changes in such legislation may materially adversely affect the Company's business, results of operations and financial condition. In addition, labour disruption or work stoppages could materially adversely affect its business and operations.

Operations in Foreign Jurisdiction

Substantially all of the Company's operations are located in Portugal. Like many markets, Portugal may face challenges in terms of natural resource development governance, physical and institutional infrastructure, governmental and regulatory bureaucracy and delays associated therewith. Additionally, the Company's Portugal project may at various times be exposed to political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties

include, but are not limited to:

- renegotiation, nullification, termination or rescission of existing concessions, licenses, permits and contracts;
- expropriation and/or nationalization;
- repatriation restrictions;
- changing political conditions;
- currency exchange rate fluctuations;
- war and civil unrest;
- military repression;
- hostage-taking;
- taxation policies;
- labour unrest;
- changing government policies and legislation;
- import and export regulations;
- restrictions on foreign exchange;
- currency controls;
- environmental legislation;
- infrastructure development policy; and
- certain non-governmental organizations that oppose globalization and resource development.

Changes, if any, in mining or investment policies or shifts in political attitude in Portugal may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims by locals, water use, infrastructure and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements. The

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occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's operations and profitability.

There can be no assurance that companies and/or industries which are deemed of national or strategic importance in Portugal, including mineral exploration, production and development, will not be nationalized. There is a risk that further government limitations, restrictions or requirements, not presently foreseen, may be implemented. Changes in policy that alter laws regulating the mining industry could have a material adverse effect on the Company.

There can be no assurance that Ascendant's assets in Portugal will not be subject to nationalization, requisition or confiscation, whether legitimate or not, by an authority or body.

In addition, in the event of a dispute arising from activities in Portugal, the Company may be subject to the exclusive jurisdiction of foreign courts. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality due to the doctrine of sovereign immunity.

The Company has taken certain steps to mitigate certain of the foregoing risks, including but not limited to: implementing appropriate internal financial control policies, retaining qualified local experts to advise on matters such as title, licenses and permits, environmental regulation and related matters, hiring personnel with appropriate specialized knowledge, skill and experience, maintaining positive government relations, maintaining positive labour relations, and maintaining appropriate insurance policies.

However notwithstanding the Company's efforts to mitigate risks associated with operations in a foreign jurisdiction, most of the foregoing risks and uncertainties are beyond the Company's control and the occurrence of any of them could adversely affect the operations and the Company's future cash flow, results of operations and financial condition.

Title Matters

The acquisition and maintenance of title to mineral properties is a very detailed and time-consuming process. Redcorp may not be the registered holder of some or all of the claims and concessions comprising the Lagoa Salgada project. These claims or concessions may currently be registered in the names of other individuals or entities, which may make it difficult for the Corporation to enforce its rights with respect to such claims or concessions. There can be no assurance that proposed or pending transfers will be affected as contemplated. Failure to acquire title to any of the claims or concessions at one or more of the Corporation's projects may have a material adverse impact on the financial condition and results of operation of the Corporation.

Once acquired, title to, and the area of, mineral properties may be disputed. There is no guarantee that title to one or more claims or concessions at the Corporation's projects will not be challenged or impugned. There may be challenges to any of the Corporation's titles which, if successful, could result in the loss or reduction of the Corporation's interest in such titles. The Corporation's properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by,

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among other things, undetected defects. In addition, the Corporation may be unable to operate its properties as permitted or to enforce its rights with respect to its properties. The failure to comply with all applicable laws and regulations, including a failure to pay taxes or to carry out and file assessment work, can lead to the unilateral termination of concessions by mining authorities or other governmental entities.

Changes in Legislation

The return on an investment in securities of the Company is subject to changes in Canadian, Honduras and Portuguese federal and provincial tax laws and government incentive programs and there can be no assurance that such laws or programs will not be changed in a manner that adversely affects the Company or the holding and disposing of the securities of the Company.

Assessments of Value of Acquisitions

Acquisitions of mining issuers and mineral resources assets are typically based on engineering and economic assessments made by independent engineers and the Company's own assessments. These assessments both will include a series of assumptions regarding such factors and recoverability and marketability of mineral resources, future prices of mineral resources and operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the resources. Many of these factors are subject to change and are beyond the Company's control. In particular, the prices of and markets for mineral resources products may change from those anticipated at the time of making such assessment. In addition, all such assessments involve a measure of geologic and engineering uncertainty which could result in lower production and resources than anticipated. Initial assessments of acquisitions may be based on reports by a firm of independent engineers that are not the same as the firm the Company uses for its year end resource evaluations. Because each of these firms may have different evaluation methods and approaches, these initial assessments may differ significantly from the assessments of the firm used by the Company. Any such instance may offset the return on and value of the Company shares.

Income Taxes

The Company will file all required income tax returns and believes that it will be in full compliance with the provisions of the Income Tax Act (Canada), all applicable provincial tax legislation as well as the Income Tax Law in Portugal. However, such returns are subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of the Company whether by re-characterization of exploration and development expenditures or otherwise, such reassessment may have an impact on current and future taxes payable.

Dilution

The Company may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Company which may be dilutive.

Third Party Credit Risk

The Company is or may be exposed to third party credit risk through its contractual arrangements with future joint venture partners, and other parties. In the event such entities fail to meet their

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contractual obligations to the Company, such failures could have a material adverse effect on the Company and its cash flow from operations.

Potential Undisclosed Liabilities Relating to the Sale of AMPAC

There may be unexpected liabilities of the Corporation that arise from the sale of AMPAC, including ongoing liabilities in respect of indemnification and the postponement of the transfer of legal title to the shares of AMPAC. The Corporation and Kirungu are awaiting the expiry of the period of review of the transaction by the Comisión para la Defensa y Promoción de la Competencia of Honduras or the receipt of their formal approval or waiver. Until the receipt of such approval or expiry of the applicable review period, Ascendant could be liable for third-party claims during the interim period.

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this MD&A and the Consolidated Financial Statements is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the audited financial statements.

USE OF ACCOUNTING ESTIMATES AND JUDGEMENTS

Refer to Note 3 of the consolidated financial statements of the Company for the years ended December 31, 2019 and 2018.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting ("ICFR")

Disclosure Controls and Procedures and Internal Controls over Financial Reporting ("ICFR") The Company's management, including the CEO and CFO, is responsible for the design of disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"). Ascendant adheres to the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) revised 2013 Internal Control Framework for the design of its ICFR. There was no material change to the Company's internal controls over financial reporting that occurred during the first quarter of 2020 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

The evaluation of DC&P and ICFR was carried out under the supervision of and with the participation of management, including Ascendant's CEO and CFO. Based on these evaluations, the CEO and the CFO concluded that the design and operation of these DC&P and ICFR were effective throughout the first quarter of 2020.

Additional Information

Additional information relating to the Company can also be found on SEDAR.

CORPORATE STRUCTURE

The Consolidated Financial Statements include the financial statements of the Company and its subsidiaries, Morumbi Capital Inc. and AMPAC.

TECHNICAL INFORMATION

All technical information contained herein has been reviewed and approved by Robert A. Campbell, M.Sc, P.Geo, an officer and director of the Company. Mr. Campbell is a "qualified person" within the meaning of NI 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**").

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CAUTIONARY NOTES TO US INVESTORS

The information concerning the Company's mineral properties has been prepared in accordance with National Instrument 43-101 ("NI-43-101") adopted by the Canadian Securities Administrators. In accordance with NI-43-101, the terms "mineral reserves", "proven mineral reserve", "probable mineral reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council on May 10, 2014. While the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are recognized and required by NI 43-101, the U.S. Securities Exchange Commission ("SEC") does not recognize them. The reader is cautioned that, except for that portion of mineral resources classified as mineral reserves, mineral resources do not have demonstrated economic value. Inferred mineral resources have a high degree of uncertainty as to their existence and as to whether they can be economically or legally mined. It cannot be assumed that all or any part of any inferred mineral resource will ever be upgraded to a higher category. Therefore, the reader is cautioned not to assume that all or any part of an inferred mineral resource exists, that it can be economically or legally mined, or that it will ever be upgraded to a higher category. Likewise, you are cautioned not to assume that all or any part of a measured or indicated mineral resource will ever be upgraded into mineral reserves.

Readers should be aware that the Company's financial statements (and information derived therefrom) have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and are subject to Canadian auditing and auditor independence standards. IFRS differs in many respects from United States generally accepted accounting principles and thus the Company's financial statements (and information derived therefrom) may not be comparable to those of United States companies.

FORWARD LOOKING INFORMATION

This MD&A contains "forward-looking statements" and "forward-looking information" (collectively, "forward-looking information") within the meaning of applicable Canadian securities legislation. All information contained in this news release, other than statements of current and historical fact, is forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "budget", "guidance", "scheduled", "estimates", "forecasts", "strategy", "target", "intends", "objective", "goal", "understands", "anticipates" and "believes" (and variations of these or similar words) and statements that certain actions, events or results "may", "could", "would", "should", "might" "occur" or "be achieved" or "will be taken" (and variations of these or similar expressions). Forward-looking information is also identifiable in statements of currently occurring matters which may continue in the future, such as "providing the Company with", "is currently", "allows/allowing for", "will advance" or "continues to" or other statements that may be stated in the present tense with future implications. All of the forward-looking information in this MD&A is qualified by this cautionary note.

Forward-looking information in this MD&A includes, but is not limited to, statements regarding expectation of expanding the known Mineral Resources at Lagoa Salgada. Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by Ascendant at the date the forward-looking information is provided, inherently are subject to significant risks,

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uncertainties, contingencies and other factors that may cause actual results and events to be materially different from those expressed or implied by the forward-looking information. The material factors or assumptions that Ascendant identified and were applied by Ascendant in drawing conclusions or making forecasts or projections set out in the forward-looking information include, but are not limited to, the ability to expand known Mineral Resources at Lagoa Salgada, and other events that may affect Ascendant's ability to develop its project; and no significant and continuing adverse changes in general economic conditions or conditions in the financial markets.

The risks, uncertainties, contingencies and other factors that may cause actual results to differ materially from those expressed or implied by the forward-looking information may include, but are not limited to, risks generally associated with the mining industry, such as economic factors (including future commodity prices, currency fluctuations, energy prices and general cost escalation), uncertainties related to the development and operation of Ascendant's projects, dependence on key personnel and employee and union relations, risks related to political or social unrest or change, rights and title claims, operational risks and hazards, including unanticipated environmental, industrial and geological events and developments and the inability to insure against all risks, failure of plant, equipment, processes, transportation and other infrastructure to operate as anticipated, compliance with government and environmental regulations, including permitting requirements and anti-bribery legislation, volatile financial markets that may affect Ascendant's ability to obtain additional financing on acceptable terms, the failure to obtain required approvals or clearances from government authorities on a timely basis, uncertainties related to the geology, continuity, grade and estimates of Mineral Reserves and Mineral Resources, and the potential for variations in grade and recovery rates, uncertain costs of reclamation activities, tax refunds, hedging transactions, the inability of the Company to meet its guidance, as well as the risks discussed in Ascendant's most recent Annual Information Form on file with the Canadian provincial securities regulatory authorities and available at www.sedar.com.

Should one or more risk, uncertainty, contingency, or other factor materialize, or should any factor or assumption prove incorrect, actual results could vary materially from those expressed or implied in the forward-looking information. Accordingly, the reader should not place undue reliance on forward-looking information. Ascendant does not assume any obligation to update or revise any forward-looking information after the date of this news release or to explain any material difference between subsequent actual events and any forward-looking information, except as required by applicable law.