

MANAGEMENT'S DISCUSSION AND ANALYSIS

THREE AND SIX MONTHS ENDED JUNE 30, 2022



This Management's Discussion & Analysis ("MD&A") is dated as of August 15, 2022 and should be read in conjunction with the condensed interim consolidated financial statements and notes thereto for the three and six months ended June 30, 2022 and the audited consolidated financial statements and notes thereto for the year ended December 31, 2021. In this MD&A, a reference to "Trevali", the "Company", "us", "we" or "our" refers to Trevali Mining Corporation and its subsidiaries. Additional information about us, including our Annual Information Form and Management Information Circular, is available on SEDAR at www.sedar.com. This MD&A contains certain forward-looking information and forward-looking statements. Please refer to the cautionary language under the heading "Notes to Reader".

FINANCIAL AND OPERATIONAL HIGHLIGHTS FOR THE SECOND QUARTER OF 2022

- **Zinc payable production of 34.5 million pounds** due to the suspension of operations at the Perkoa mine and production challenges at the Caribou mine partially offset by positive performance from Rosh Pinah.
- **C1 Cash Cost¹ and AISC¹ of \$1.19 and \$1.61 per pound, respectively**, 12% and 32% increases from the prior quarter due to a combination of factors, including higher direct operating costs from continuing inflationary pressures across the portfolio, lower payable zinc volume contribution from Perkoa and Caribou, and higher than planned sustaining capital.
- **Caribou's full-year production and cost guidance has been suspended and the operation is under review**, following continued operational performance issues due to low productivity rates and equipment and operator availability, from the mining contractor.
- **Perkoa operations remain suspended** following the April 16th flooding event that resulted in eight fatalities and the suspension of mining and milling operations. Costs related to the flooding event for Q2 amount to \$15.2 million. Operating cost and production guidance at Perkoa remain suspended.
- **A non-cash, after-tax impairment of \$23.7 million was recorded on the Perkoa and Caribou operations and near-mine exploration asset at Perkoa.**
- **Revised full-year guidance for Rosh Pinah for 2022 with production guidance of 62 – 66 million pounds of payable zinc, a C1 Cash Cost¹ of \$0.84 – 0.90/lb and AISC¹ of \$1.22 – 1.28/ lb.**
- **Q2 2022 revenues of \$52.0 million, a decrease of 44% over the prior quarter**, due to the suspension of operations at Perkoa and Caribou operational underperformance.
- **Adjusted EBITDA¹ of \$9.2 million, a decrease of 78% over the prior quarter**, primarily due to the Perkoa mine's suspension of operation on April 16, 2022 and Caribou operational underperformance.
- **Net Debt¹ for Q2 2022 decreased from \$81.8 million at March 31, 2022, to \$59.4 million** due to the timing of collection of settlement receivables built up from Q1 2022.
- **Updated RP2.0 expansionary capital cost to \$121 million with an estimated commissioning date of Q4 2024**, assuming financing is in place by the end of Q3 2022 and a full funding decision is made. Guidance on the \$20 million Early Works program included in the \$121 million, has been suspended and is under review.
- **Financing Initiative to fund the RP2.0 expansion project and refinance the existing debt that matures in September of 2022**, which had progressed with several capital providers, including Standard Bank, an Export Credit Agency, Glencore, and a metal streaming company, has not sufficiently advanced in a manner that will allow for the refinancing to be completed prior to the maturity of existing Debt Facilities, if at all.
- **A Strategic Review process was initiated in Q2, in parallel to the Financing Initiative**, to solicit proposals for a broad range of transaction alternatives including a potential investment in Trevali and the potential sale of all or part of the business and assets of Trevali. Following recent developments, there

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

can be no assurance that the Strategic Review process will progress in a fashion that will allow for the culmination of a transaction in a timely manner or sufficient value to refinance the Debt Facilities.

- **Based on a review of its available liquidity, the Company anticipates that it will not be in a position to make a mandatory prepayment of approximately \$7.5 million on its revolving credit facility when such payment is due on August 17, 2022.** The Company remains in discussions with its senior lenders regarding this anticipated breach of the terms and potential default of the Facility.

		YTD	YTD					Q2'22 vs	Q2'22 vs
		Q2'22	Q2'21	YoY	Q2'22	Q1'22	Q2'21	Q1'22	Q2'21
Zinc payable production	Mlbs	96.8	162.2	-40%	34.5	62.3	87.3	-45%	-60%
Lead payable production	Mlbs	13.4	15.6	-14%	6.8	6.6	9.7	3%	-30%
Silver payable production	Moz	0.2	0.4	-50%	0.1	0.1	0.3	0%	-67%
Revenue	\$	145,151	173,061	-16%	52,040	93,111	101,105	-44%	-49%
Adjusted EBITDA ¹	\$	50,621	56,533	-10%	9,192	41,429	32,042	-78%	-71%
Operating cash flows before working capital	\$	25,088	48,982	-49%	(21,303)	46,391	33,530	-146%	-164%
Net (loss) income	\$	(42,154)	1,367	-3,184%	(62,209)	20,055	3,877	-410%	-1705%
Net (loss) income per share	\$	(0.43)	0.01	-4400%	(0.63)	0.20	0.04	-415%	-1675%
C1 Cash Cost ¹	\$/lb	1.10	0.86	28%	1.19	1.06	0.84	12%	42%
AISC ¹	\$/lb	1.36	0.98	39%	1.61	1.22	0.97	32%	66%
Sustaining capital expenditure ¹	\$	21,853	15,861	38%	12,851	9,002	9,211	43%	40%
Expansionary capital ¹	\$	5,001	7,710	-35%	2,288	2,713	3,596	-16%	-36%
Exploration expenditure	\$	782	3,752	-79%	469	313	2,068	50%	-77%

BUSINESS OVERVIEW

Trevali is a global base-metals mining company, headquartered in Vancouver, Canada. The bulk of the Company's revenue is generated from base-metals mining at the 90%-owned Perkoa mine in Burkina Faso (which mine's operations are currently suspended following a flooding event that occurred April 16, 2022), the 90%-owned Rosh Pinah mine in Namibia and the wholly-owned Caribou mine in New Brunswick. In addition, Trevali owns the Halfmile and Stratmat properties and the Restigouche deposit in New Brunswick, Canada, and the past producing Ruttan mine in northern Manitoba, Canada. Trevali also owns an effective 44% interest in the Gergarub project in Namibia. The shares of the Company are listed on the TSX (symbol TV), the OTCQX (symbol TREVF), the Lima Stock Exchange (symbol TV), and the Frankfurt Exchange (symbol 4TI). For further details on Trevali, readers are referred to the Company's website (www.trevali.com) and to Canadian regulatory filings on SEDAR at www.sedar.com.

PERKOA MINE FLOODING EVENT INVESTIGATION, ACTIONS UNDERTAKEN AND CURRENT STATUS

Intense and unseasonal rainfall on April 16, 2022, near the Perkoa mine created a flash flood that entered the mine property and breached the mine's safety controls, flooding the underground mine, preventing eight workers from evacuating the mine. A summary of the results of Trevali's investigation of the flooding event was previously provided to the Burkina Faso Ministry of Mines and Quarries, and additional information regarding actions taken and external expert analysis was provided to the Ministry. The Company and its management team have worked closely with the Burkinabe authorities throughout the search and recovery efforts at the mine, with daily briefings at the site as well as regular inspections of the operations. In addition, pursuant to applicable Burkina Faso law, an independent investigation into the flood event was initiated by the Public Prosecutor. Trevali and its personnel have been cooperating fully with the investigation which remains ongoing. The bodies of the eight workers were recovered in May and June and returned to their

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

families, except for the two expatriates that still need to be repatriated to their home country. All of us at Trevali grieve their loss.

By late July, more than 165 million litres of water and more than 9,000 cubic metres of solids had been removed from the mine. Perkoa is now dewatered to the lowest mine level, Level 710, all damaged equipment has been recovered, and all areas of the mine are fully accessible. A significant amount of mine rehabilitation work is already complete, including re-establishing the electrical and communication systems, ventilation, egress and entrapment infrastructure, backfilling of voids, inspecting the adequacy of ground support after the flooding event and ensuring that there are no underground stability concerns. All permits remain in good standing.

Site investigation learnings

Trevali and various expert consultants have investigated the circumstances of the extreme rainfall event and have reached several conclusions and the Company has committed to actions to prevent the catastrophic outcome of any future potential flood from occurring at Perkoa. While we are unable to prevent an extreme weather event, the result of the investigation allows us to determine some key lessons that can prevent similar catastrophic results in the future, and which may also be applicable across the mining industry:

- **Historical climate data used for assumptions:** Floods and other extreme weather events are becoming more intense and frequent as our climate warms. Historically, we have been able to predict these extreme events by observing how often they occurred in the past. The frequency and magnitude of past extreme events are no longer a reliable indicator. We need to review and modify our plans, procedures, and designs to ensure they can counter these new risks.
- **Design criteria:** The flood protection design criteria at Perkoa did not anticipate the intensity, scale, or timing of the rainfall and flooding event. The mining industry and others are making the transition to more robust designs for facilities, especially tailings dams, by performing an analysis of consequences to provide data for the design. It is important to validate the current designs and conduct an analysis of structures and facilities in place, and challenge this against the shifts that climate change has brought.
- **Data quality:** Historically, many rainfall data collection stations provide only daily returns, leading to potential gaps in understanding of short-term intense rain events. Quality data is needed to understand the potential for weather events of short duration but of greater intensity, like the one that occurred at Perkoa.
- **Design and implementation of modern early warning and response time systems:** The flooding at the mine was caused by extreme rain falling some distance from the site. To manage this risk, early warning systems on-site that can predict off-site events are needed. Modern detection tools based upstream of all sites and connected to on-site warning systems will improve both situational awareness and emergency response times.

Flood response actions taken to date

The investigation of the flooding event has resulted in Trevali taking several actions to minimize the impacts of future weather events at Perkoa, and prevent any future flooding of the underground operations, including:

- Raised the flood protection berm along the existing berm alignment to protect the open pit against flooding for a 1:10,000-year event. The guidance to raise the berm follows expert hydrologic modelling conclusions that indicated that the flooding event occurred following an intense rainfall over a period of approximately 45 minutes, which corresponds with a return period of approximately 300 to 500 years;

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

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

- Installed an early warning system that provides updated weather reporting, real-time weather and rain monitoring and real-time stream water level indication with automatic triggers when there is a potential flood risk;
- Improved emergency management plans with the inclusion of predictive triggers such as: predictive alerting and smart IOT sensors that detect changes in water levels and various weather parameters (wind, rain, lightning, pressure) to trigger an evacuation in advance of a significant weather event impacting the site.

The Company is also reviewing its design infrastructure at its other mine sites and will consider implementing similar measures if deemed appropriate. Insurance claims have been filed related to dewatering, rehabilitation, and the replacement of mining, electrical, ventilation, and other equipment damaged from the mine flood. Subject to approval by the Burkina Faso authorities, the Company is undertaking precursory activities to ensure operational readiness. The Ministry of Mines and Quarries is currently reviewing the Perkoa restart plan. Operating cost and production guidance at Perkoa remain suspended.

GUIDANCE AND OUTLOOK

Although the performance of Rosh Pinah continues to be consistent, the second quarter was challenging at Perkoa and Caribou. The April 16th flooding event that triggered an evacuation of the Perkoa Mine and the suspension of mining and milling operations, global inflationary impacts and continued challenges in contract miner productivity and equipment and operator availability at Caribou have resulted in lower production results and higher costs.

The Company is experiencing significant cost inflation since initial guidance was provided in January, with the prices of key consumables remaining materially above 2021 levels. Notable examples include explosives, diesel, grinding media, and ocean freight rates.

Operating cost and production guidance at Perkoa remain suspended and Caribou's full year production and cost guidance has been suspended and the operation is under review.

Management of the Company revises Rosh Pinah production and cost guidance. Annual production guidance at Rosh Pinah Mine is now estimated at between 62 – 66 million pounds of payable zinc (previous: 58 – 66); guidance of 16 – 18 million pounds of payable lead remains unchanged; and 168 – 178 thousand ounces of payable silver (previous: 158 – 178). C1 Cash Cost¹ guidance is estimated between \$0.84 – \$0.90 per pound of zinc (previous: \$0.71 – \$0.78) and AISC¹ is expected to range between \$1.22 – \$1.28 per pound of zinc (previous: \$1.07 – \$1.17).

Revised Consolidated 2022 Production Guidance²

Payable Production by Asset	Actuals		Revised Guidance ²	Previous Guidance ²
	Q1 2022	Q2 2022	FY 2022	FY 2022
Zinc Production (Million lbs)				
Perkoa (100%) ³	36.3	6.5	suspended	128 – 145
Rosh Pinah (100%) ³	17.1	16.7	62 – 66	58 – 66
Caribou	9.0	11.3	suspended	60 – 68
Total Zinc Production⁴	62.4	34.5		247 – 280
Lead Production (Million lbs)				
Rosh Pinah (100%) ³	3.4	3.7	unchanged	16 – 18
Caribou	3.2	3.1	suspended	20 – 23
Total Lead Production⁴	6.6	6.8		36 – 41
Silver Production (Thousand ozs)				
Rosh Pinah (100%) ³	41	43	168 – 178	158 – 178
Caribou	86	78	suspended	530 – 600
Total Silver Production⁴	128	122		688 – 778

Revised 2022 Consolidated Operating Cost Guidance²

Production costs (US\$/lb)	Actuals		Revised Guidance ²	Previous Guidance ²
	Q1 2022	Q2 2022	FY 2022	FY 2022
C1 Cash Cost¹				
Perkoa ³	1.10	1.44	suspended	0.93 – 1.01
Rosh Pinah ³	0.59	0.69	0.84 – 0.90	0.71 – 0.78
Caribou	1.74	1.79	suspended	0.85 – 0.93
Consolidated	1.06	1.19		0.85 – 0.93
AISC¹				
Perkoa ³	1.16	1.59	suspended	0.98 – 1.08
Rosh Pinah ³	0.80	1.24	1.22 – 1.28	1.07 – 1.17
Caribou	2.27	2.15	suspended	1.10 – 1.20
Consolidated	1.22	1.61		1.03 – 1.13

Sustaining capital guidance at Rosh Pinah was revised to \$27 million from \$24 million and suspended at Perkoa and Caribou. Planned \$2.0 million in exploration capital is unchanged while the Early Works program at Rosh Pinah is under review and guidance suspended.

Revised 2022 Consolidated Capital Expenditure Guidance²

Capital Expenditures (US\$m)	Revised Guidance ²	Previous Guidance ²
	FY 2022	FY 2022
Perkoa ³ - sustaining	suspended	7
Rosh Pinah ³ - sustaining	27	24
Caribou - sustaining	suspended	12
Expansionary	suspended	20
Exploration	2	2
Consolidated		61 - 68

FINANCING INITIATIVE AND STRATEGIC REVIEW PROCESS

The Company appointed Endeavour Financial in September 2021 to advise the Company on the formation of a lending syndicate, coordinate lender due diligence and negotiate financing documentation with the objective of providing a competitive non-equity financing solution for the RP2.0 expansion project at Rosh Pinah and refinancing both the existing Facility and Glencore Facility which mature in September 2022. The Company is in negotiations with several capital providers, including Standard Bank, an Export Credit Agency, Glencore, and a metal streaming company for a potential financing package (the “Financing Initiative”).

Following recent developments, the Financing Initiative which had progressed with several capital providers, including Standard Bank, an Export Credit Agency, Glencore, and a metal streaming company, has not sufficiently advanced in a manner that will allow for the refinancing to be completed prior to the maturity of existing Debt Facilities, if at all.

In May 2022, in parallel with the Financing Initiative, the Company engaged a financial advisor to conduct a strategic review process (the “Strategic Review”) in order to solicit proposals for a broad range of transaction alternatives including a potential investment in Trevali and the potential sale of all or part of the business and assets of Trevali. Following recent developments, there can be no assurance that the Strategic Review process will progress in a fashion that will allow for the culmination of a transaction in a timely manner or sufficient value to refinance the Debt Facilities.

¹ See “Use of Non-IFRS Financial Performance Measures”

² 2022 guidance constitutes forward-looking information; see “Cautionary Note Regarding Forward-Looking Statements”.

³ Trevali’s ownership interest is 90% of Perkoa mine and 90% of Rosh Pinah mine.

⁴ Totals may not add due to rounding.

GOING CONCERN IMPLICATIONS

As at June 30, 2022, the Company had \$64.7 million of available liquidity, comprised of cash and cash equivalents of \$41.7 million and \$23.0 million of available liquidity from the revolving credit facility (the “Facility”). As both the Facility and a second lien secured facility agreement with Glencore of \$13.0 million (the “Glencore Facility”) (together, the “Debt Facilities”) are due for repayment at maturity on September 18, 2022, a period of less than twelve months, these balances are classified as current liabilities.

Continuation as a going concern is dependent upon the Company’s ability to generate sufficient cash flows from operations to sustain working capital requirements, and to source external capital to refinance the Debt Facilities in order to avoid default on maturity. Alternatively, sufficient funding will be required until a strategic alternative can be arranged, if at all. As at June 30, 2022, the Company’s total current liabilities exceeded its current assets by \$41.4 million.

The Company appointed an external advisor in September 2021, with the objective of providing a competitive non-equity financing solution for the RP2.0 expansion project at Rosh Pinah and refinance the existing Debt Facilities (the “Financing Initiative”). The Company has been considering several opportunities for the financing package, including project finance debt, subordinated debt, and a silver stream on Rosh Pinah’s silver production.

On April 16, 2022, a flash flood occurred at the Perkoa mine in Burkina Faso following a period of intense unseasonal rainfall. After dewatering and search efforts all eight workers’ bodies that were trapped in the underground mine due to the flooding were recovered. The Company incurred \$15.2 million of direct and indirect costs between April 16 and June 30, 2022 related to dewatering efforts, infrastructure refurbishment and construction linked to repairs and rehabilitation at the mine. Additional costs related to the flooding event subsequent to June 30, 2022, continue to be incurred.

As a result of the flooding event at Perkoa, the previously announced targeted financing amount of \$200 million could no longer be relied upon and the total financing target was suspended as of May 16, 2022. In addition, the Caribou operation is under review following continued operational and financial performance issues due to low productivity rates and equipment and operator availability, from the mining contractor. The financing requirement is expected to exceed the previously targeted financing amount of \$200 million.

Following recent developments, the Financing Initiative which had progressed with several capital providers, including Standard Bank, an Export Credit Agency, Glencore, and a metal streaming company, has not sufficiently advanced in a manner that will allow for the refinancing to be completed prior to the maturity of existing Debt Facilities, if at all.

In May 2022, in parallel with the Financing Initiative, the Company engaged a financial advisor to conduct a strategic review process (the “Strategic Review”) in order to solicit proposals for a broad range of transaction alternatives including a potential investment in Trevali and the potential sale of all or part of the business and assets of Trevali. Following recent developments, there can be no assurance that the Strategic Review process will progress in a fashion that will allow for the culmination of a transaction in a timely manner or sufficient value to refinance the Debt Facilities.

Based on a review of its available liquidity, the Company anticipates that it will not be in a position to make the mandatory prepayment of approximately \$7.5 million on its revolving credit facility when such payment is due on August 17, 2022. The Company remains in discussions with its senior lenders regarding this anticipated breach of the terms of the Facility.

The Company’s ability to continue as a going concern is dependent upon its ability to generate cash flows from operations and to secure a financing package consisting of debt financing, equity financing and/or the sale of all or part of the business and assets of Trevali. While the Company has been successful in arranging financing in the past, it cannot be assured that the current Financing Initiative will be successful and there is no guarantee that the Company will ultimately be able to generate sufficient positive cash flow from operations or that the Company will find an acceptable strategic alternative. These circumstances indicate

the existence of material uncertainties that create significant doubt as to the Company's ability to meet its obligations when due, and accordingly, continue as a going concern.

MARKET OUTLOOK

Although challenged by negative market sentiment, rising interest rates, inflationary pressures and recession risk, management of the Company believes that the outlook for the zinc market is positive. The base metals sector performed poorly in the second quarter. As measured by the LME Index, the base metal complex declined by 25%. Despite headwinds, backlogs of work for manufacturers in many parts of the world remain substantial and for the year-to-date zinc demand has been robust according to Wood Mackenzie. As highlighted in past quarters, management of the Company believes the ongoing structural changes related to "green energy" initiatives, combined with underinvestment in the mining sector and a positive global capex cycle provide the Company with opportunities to further develop the business.

Global manufacturing output has turned lower in recent months as higher interest rates and business confidence wanes in the western economies. Euro area manufacturing sector conditions continued to disappoint at the end of the second quarter. The final reading of the S&P Global Eurozone Manufacturing Purchasing Managers' Index ("PMI") for June of 52.1, fell from 54.6 in May, its lowest reading since August 2020 while the indicator of sentiment as measured by business confidence slid to a 25-month low. The manufacturing PMI for Japan came in at 52.7 in June, a decrease from 53.3 in May and marking the seventeenth consecutive improvement in the health of the manufacturing sector. Recall that a PMI reading above 50 indicates growth or expansion. The Chinese manufacturing sector registered the first expansion of output since February. Thus, at 51.7 in June, the headline seasonally adjusted general manufacturing PMI was up from 48.1 posted in the prior month; the rate of increase was the strongest since May 2021. Chinese business confidence regarding the 12-month outlook for output improved to a four-month high in June. Finally, in the US, the seasonally adjusted US Manufacturing PMI posted 52.7 in June, down from 57.0 in May. Notably, this is the lowest level since July 2020 as factory output stagnates and new orders fall. The decrease in client demand was the first in over two years. Firms stated that inflationary pressures, weak client confidence in the outlook and supply-chain disruption drove the decline.

As reported in the media in April, the annual benchmark contract treatment charge for zinc concentrate was agreed to at \$230 per tonne in 2022 versus \$159 per tonne established in 2021. Unlike last year however, the 2022 settlement includes an escalator of +5% for an LME zinc price above \$1.72 per pound. Trevali's concentrate off-take agreements reference the annual benchmark treatment charges. According to Wood Mackenzie, the indicative spot treatment charge for June is \$235 per tonne cost, insurance and freight into China, higher than \$175 per tonne observed in March, and within the range of Chinese spot averages of \$285 and \$209 per tonne in 2019 and 2020, respectively.

The zinc price began the quarter at \$1.96 per pound and ended the quarter at \$1.47 per pound and traded in a very wide \$0.58 per pound range. During Q2 2022, the LME zinc price averaged \$1.78 per pound, maintaining its improvement from its pandemic low of \$0.82 per pound reached back in March 2020. LME exchange inventories decreased to 81,075 tonnes by the end of Q2 2022 versus 139,950 tonnes on March 31, 2022. Shanghai Futures Exchange zinc stocks decreased to 112,959 tonnes versus 176,177 tonnes at the end of Q1 2022. Total exchange stocks decreased into quarter end, and now stand at the equivalent of just 5 days of global consumption, very low by historical standards, and do not provide much of a buffer against any further supply disruptions to smelter production.

Relatively low refined zinc stocks and strong demand continue to put upward pressure on spot zinc premiums which remain elevated. In the US high freight costs and shortages of trucking capacity have pushed spot premiums as high as 35 to 40 cents per pound, meanwhile in Europe they are in the territory of \$450 to \$500 per tonne (20.4 to 22.7 cents per pound).

CORPORATE DEVELOPMENTS

On January 20, 2022, the Company announced that Trevali was working toward securing project financing for the RP2.0 expansion project and refinancing both the existing corporate revolving credit facility (the “Facility”) and the secured facility agreement with Glencore (the “Glencore Facility”), maturing in September 2022. In parallel, an early works program commenced for RP2.0.

On January 24, 2022, the Company announced preliminary 2021 full year and Q4 production results and 2022 operating, capital and exploration expenditure guidance.

On January 24, 2022 and February 4, 2022, the Company announced that the Perkoa mine in Burkina Faso was unaffected by, and continued to closely monitor, the ongoing political situation.

On March 31, 2022, the Company reported its Mineral Reserves and Mineral Resources statements as of December 31, 2021. Proven and Probable Mineral Reserves increased 50% at the Rosh Pinah mine and there was a 4.9 million tonne increase in the Company’s consolidated Proven and Probable Mineral Reserves, which was a 28% increase over the year ended 2020. For further information, refer to the March 31, 2022 press release.

On April 7, 2022, the Company announced the appointment of Derek du Preez as Chief Operating Officer effective immediately.

On April 16, 2022, the Company reported a flooding event at the Perkoa mine in Burkina Faso following intense and unseasonal rainfall. The mine was evacuated, and mine rescue efforts were immediately initiated and continue to be incurred.

On April 21, 2022, the Company provided an update on search and rescue efforts at the Perkoa mine and announced the suspension of production and cost guidance at the Perkoa mine.

During May and June, the Company provided multiple updates on the dewatering progress and search efforts at the Perkoa mine, culminating with a final update on June 20, 2022, when the Company reported that the remaining missing workers were found with no survivors.

On June 28, 2022, the Company published its 2021 Sustainability Report.

On June 29, 2022, the Company announced the results of the Annual General and Special Meeting of Shareholders.

On August 3, 2022 the Company announced that it had received credit approval from Standard Bank of Namibia Limited and The Standard Bank of South Africa Limited for a Senior Secured Financing Facility of \$110 million to fund the expansion of the Company’s Rosh Pinah Mine in Namibia. Closing of the Senior Secured Financing Facility is subject to a number of conditions, including the negotiation and settlement of definitive loan facility and security documentation, the execution and delivery of definitive documentation in respect of the other elements of the comprehensive financing package, including an intercreditor agreement between Standard Bank and the various subordinated secured lenders, and the consent of and release of existing security by Trevali’s existing senior secured lenders. While the Company is progressing these various workstreams, there is no certainty that the conditions set out in the Standard Bank credit approval will be satisfied in a timely manner or at all. Negotiations for other components of the comprehensive funding package for RP2.0 and the refinancing of both the existing corporate revolving credit facility and Glencore loan facility, which mature in September 2022, are ongoing.

SAFETY

Total Recordable Injury Frequency (“TRIF”) in Q2 2022 saw a significant increase to 12.9 from 3.5 in Q1 2022 TRIF mainly attributed to the Perkoa flooding incident. In addition to ongoing safety initiatives across our operations, actions have been taken on recommendations from the Perkoa flooding incident investigation.

CONSOLIDATED FINANCIAL RESULTS

The following table summarizes the change in net income (loss) YTD and Q2 2022 quarter:

	YTD Q2'22 vs YTD Q2'21		Q2'22 vs Q2'21	
Net income for the 2021 period	\$	1,367	\$	3,877
Decrease in revenues		(27,910)		(49,065)
Expense components:				
Decrease in Mine operating expenses		18,084		34,608
Decrease in General and administrative		856		(285)
Increase in Impairment		(23,698)		(23,698)
Increase in Other items		(4,929)		(27,338)
Increase in Income tax expense		(5,924)		(308)
Net loss for the 2022 period	\$	(42,154)	\$	(62,209)

There was a net loss YTD Q2 2022 compared to a positive net income in the corresponding period of 2021 due to a combination of factors, including decreased revenue related to the suspension of mining operations at Perkoa following the flood incident on April 16, 2022 and no revenue from Santander following the sale of the Santander mine in December 2021. These were partially offset by a 37% increase in the average zinc LME price and a higher volume of lead payable sold due to the timing of shipments.

The decrease in mine operating expenses in YTD Q2 2022 compared to the corresponding period of 2021 is primarily due to the suspension of operations at Perkoa resulting in lower variable mining and milling costs and lower units of production depreciation, as well as no costs from Santander following the sale of the Santander mine in December 2021 and partially offset by Caribou which was restarted in Q1 2021 and incurred partial mine operating expenses.

The increase in impairment is a result of the flooding event of the Perkoa underground mine on April 16, 2022, upon which the operations at the site were immediately suspended. The flooding event triggered an impairment indicator as of June 30, 2022, and, accordingly, the recoverable amounts of the Perkoa cash generating unit ("CGU") were estimated and compared against its carrying values. In addition, the carrying values of exploration and evaluation assets that would be dependent on processing ore at the Perkoa mill, and the T3 deposit, were reviewed for impairment. A non-cash impairment charge of \$17.5 million was recognized at Perkoa (\$13.5 million related to property, plant and equipment and \$4.0 million related to near-mine exploration assets). A non-cash impairment was also recognized at Caribou following the negative cash flow for consecutive quarters.

Other items in YTD Q2 2022 include an increase in the settlement mark-to-market loss on open invoices between February and May 2022 with a quotational period between June and September, due to a significant decline in the commodity prices and Perkoa flood-related costs of \$15.2 million.

There was a net loss Q2 2022 compared to a positive net income in the corresponding period of 2021 primarily due to decreased revenue related to the suspension of mining operations at Perkoa following the flood incident on April 16, 2022 as well as no revenue from Santander following the sale of the Santander mine in December 2021.

Mine operating expenses decreased in Q2 2022 compared to Q2 2021 due to the suspension of operations at Perkoa resulting in lower variable mining costs and lower units of production depreciation, and no costs from Santander following the sale of the Santander mine in December 2021.

Other items in Q2 2022 include an increase in the settlement mark-to-market loss on open invoices between February and May 2022 with a quotational period between June and September due to a significant decline in the commodity prices, the Perkoa flood-related costs of \$15.2 million and the related non-cash impairment of \$17.5 million and unrelated non-cash impairment of \$6.2 million at Caribou.

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

Revenues

		YTD Q2'22	YTD Q2'21	YoY	Q2'22 Q2'22 vs Q1'22	Q1'22	Q2'21	Q2'22 vs Q1'22	Q2'22 vs Q2'21
Revenues									
Zinc revenue	\$	162,955	202,700	-20%	56,424	106,531	111,899	-47%	-50%
Lead and silver revenue		32,304	26,410	22%	15,032	17,272	22,316	-13%	-33%
Smelting and refining costs		(50,108)	(56,049)	-11%	(19,416)	(30,692)	(33,110)	-37%	-41%
Net revenue	\$	145,151	173,061	-16%	52,040	93,111	101,105	-44%	-49%
Average zinc LME price	\$/lb	1.74	1.27	37%	1.78	1.70	1.32	5%	35%
Average lead LME price	\$/lb	1.03	0.93	11%	1.00	1.06	0.96	-6%	4%
Average silver LBMA price	\$/oz	23.29	26.39	-12%	22.64	23.94	26.70	-5%	-15%
Sales quantities									
Payable zinc	Mlbs	99.7	158.9	-37%	35.6	64.1	86.4	-44%	-59%
Payable lead	Mlbs	20.9	15.2	38%	9.3	11.5	13.9	-19%	-33%
Payable silver	Mozs	0.3	0.4	-25%	0.1	0.2	0.3	-50%	-67%

The average zinc price in Q2 2022 as quoted on the LME of \$1.78 per pound increased by 5% when compared to the previous quarter and 35% compared to Q2 2021. The price of lead decreased by 6% when compared to the prior quarter while it was 4% higher when compared to the comparative quarter in 2021. The silver price decreased by 5% over the prior quarter while still 15% below the comparative quarter in 2021.

Payable zinc sales volumes decreased by 44% when compared with the prior quarter to 35.6 million pounds primarily due to the impact of limited production at Perkoa caused by the flood incident that led to the suspension of operations for the majority of the current quarter. Smelting and refining costs decreased by 37% primarily due to 44% lower zinc volumes sold, partially offset by the increase in the annual benchmark treatment charge rate in 2022 to \$230 per tonne with a 5% escalator above a zinc price of \$1.72 per pound (2021 benchmark rate: \$159 per tonne). The 2022 benchmark rate applies to payable zinc produced during 2022; similarly, the 2021 benchmark rate applies to 2021 production, including amounts in inventory at December 31, 2021 and sold in early 2022.

Payable zinc sales declined compared to the corresponding quarter in the prior year due to limited production at Perkoa caused by the flood incident that led to the suspension of operations for a major part of the current quarter, no sales from Santander mine in 2022 as it was sold on December 3, 2021 and lower sales volumes at Caribou and Rosh Pinah due to lower production.

Lead revenues of \$9.3 million decreased by 19% from the prior quarter as a result of the smaller shipment that could be arranged and the 6% decrease in the lead price. The YTD 2022 increased lead sales quantities were a result of the timing of lead shipments from the Rosh Pinah mine, which typically has two lead shipments annually, one which occurred in Q1 2022 relating to lead produced in 2021 and the second occurred in Q2 2022. By-product revenues decreased compared to the corresponding quarter in the prior year due to the sale of Santander mine in December 2021 and lower lead production at the Rosh Pinah mine and the Caribou mine during the current quarter.

Settlement Mark-to-Market

		Zinc	Lead
Spot 3-month future price as at March 31, 2022	\$/lb	1.88	1.09
Provisionally priced metal – March 31, 2022	Mlbs	76.6	12.3
Average 3-month future price for March 31, 2022	\$/lb	1.80	1.07
Average Q2 LME price	\$/lb	1.78	1.00
Provisionally priced metal – June 30, 2022	Mlbs	55.5	2.3
Average 3-month future price for June 2022	\$/lb	1.63	0.94
Spot 3-month future price as at June 30, 2022	\$/lb	1.64	0.94

All the Company's zinc and lead concentrate sales contracts provide for final commodity pricing in a future month nominated at the time of shipment and based on quoted LME monthly average zinc and lead prices. The Company recognizes revenues at the time of shipment based on estimated final pricing, with mark-to-market adjustments made each subsequent period until final pricing on the date of settlement. Concentrate smelting and refining charges and freight from the loading port to the receiving smelter are included within smelting and refining costs.

The \$12.1 million settlement mark-to-market loss for Q2 2022 primarily reflects the lower 3-month future zinc price as the estimated final zinc pricing decreased from \$1.80 per pound at March 31, 2022 to \$1.63 per pound at June 30, 2022. The loss also includes a loss on settled invoices during the period that had quotational periods in May and June 2022 with an average zinc price of \$1.71 and \$1.65 per pound, respectively, below the quarterly average zinc price of \$1.78 per pound for Q2 2022.

Each \$0.10 change in the zinc price per pound realized from the provisional price recorded of \$1.63 per pound as at June 30, 2022 is estimated to result in a change of approximately \$5.6 million on the 2022 settlement mark-to-market and EBITDA¹.

Other Items

	YTD Q2'22	YTD Q2'21	YoY	Q2'22	Q1'22	Q2'21	Q2'22 vs Q1'22	Q2'22 vs Q2'21
Settlement mark-to-market (gain) loss	\$ (2,973)	265	1222%	12,084	(15,057)	348	-180%	-3372%
Mark-to-market (gain) loss on financial instruments	(3,795)	1,198	417%	(644)	(3,151)	456	-80%	241%
Loss (gain) on foreign exchange	1,307	2,171	-40%	(1,116)	2,423	1,629	-146%	-169%
Interest expense	5,344	5,594	-4%	2,981	2,363	2,787	26%	7%
Mine restart expenses	-	6,338	-100%	-	-	-	0%	0%
Perkoa flood-related costs	15,226	-	100%	15,226	-	-	100%	100%
Impairment	23,698	-	100%	23,698	-	-	100%	100%
Other expenses (income)	5,891	505	1067%	3,524	2,367	(503)	49%	801%
	\$ 44,698	16,071	178%	55,753	(11,055)	4,717	571%	1082%

The increase in other items during Q2 2022, compared to the comparative quarters is primarily due to the settlement mark-to-market loss \$27.0 million from the prior quarter gain, the Perkoa flood-related costs incurred, increase in provision for inventory obsolescence and fees related to rolling the Caribou fixed-pricing arrangement quantities, partially offset by favorable foreign exchange movements compared to March 31, 2022. A non-cash impairment of \$23.7 million was recorded on the Perkoa and Caribou operations and near-mine exploration asset at Perkoa. The mine restart expenses in Q2 2021 are related to restarting the Caribou mine following a period of being on care and maintenance.

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

Income Taxes

		YTD Q2'22	YTD Q2'21	YoY	Q2'22	Q1'22	Q2'21	Q2'22 vs Q1'22	Q2'22 vs Q2'21
Current income tax expense (recovery)	\$	7,449	1,661	348%	(499)	7,948	1170	-106%	-143%
Deferred income tax expense (recovery)		2,585	2,449	6%	3,548	(963)	1571	-468%	126%
	\$	10,034	4,110	144%	3,049	6,985	2,741	-56%	11%

The current income tax recovery in Q2 2022 reflects mining taxes during the quarter, a decrease from the prior quarter due to lower revenues and production due to suspension of operations at the Perkoa mine. Deferred income tax expense for Q2 2022 is higher than the comparative quarters primarily due to changes in temporary differences at Rosh Pinah.

ROSH PINAH MINE, NAMIBIA

		YTD Q2'22	YTD Q2'21	YoY	Q2'22	Q1'22	Q2'21	Q2'21 vs Q1'21	Q2'21 vs Q2'20
Production									
Ore mined	t	324,426	337,629	-4%	159,368	165,058	188,576	-3%	-15%
Ore milled	t	340,790	337,382	1%	171,319	169,471	175,895	1%	-3%
Zinc head grade		6.3%	6.4%	-2%	6.2%	6.5%	6.8%	-5%	-9%
Lead head grade		1.3%	1.5%	-13%	1.3%	1.4%	1.2%	-7%	8%
Silver head grade	ozs/t	0.5	0.5	0%	0.5	0.5	0.5	0%	0%
Zinc recovery		84.9%	87.1%	-3%	85.5%	84.3%	87.1%	1%	-2%
Lead recovery		76.3%	65.8%	16%	81.0%	71.8%	55.3%	13%	46%
Silver recovery		55.1%	39.4%	40%	60.2%	50.6%	31.7%	19%	90%
Zinc concentrate grade		48.2%	50.5%	-5%	48.2%	48.3%	51.7%	0%	-7%
Lead concentrate grade		46.6%	47.7%	-2%	46.7%	46.5%	44.2%	0%	6%
Zinc payable	Mlbs	33.7	35.0	-4%	16.7	17.1	19.6	-2%	-15%
Lead payable	Mlbs	7.2	7.0	3%	3.7	3.4	2.9	9%	28%
Silver payable	Moz	0.1	0.1	0%	-	-	0.1	0%	-100%
Sales									
Zinc payable	Mlbs	31.0	38.8	-20%	14.6	16.5	19.5	-12%	-25%
Lead payable	Mlbs	16.5	9.0	83%	7.4	8.8	9.0	-16%	-18%
Silver payable	Mozs	0.2	0.1	100%	0.1	0.1	0.1	0%	0%
C1 Cash Cost ¹	\$/lb	0.64	0.80	-20%	0.69	0.59	0.51	17%	35%
AISC ¹	\$/lb	1.02	1.05	-3%	1.24	0.80	0.77	55%	61%
FINANCE									
Revenues, net	\$	61,037	45,151	35%	28,548	32,489	27,907	-12%	2%
Mine operating expenses		28,595	24,896	15%	15,412	13,183	14,668	17%	5%
Adjusted EBITDA ¹		32,442	20,255	60%	13,136	19,306	13,239	-32%	-1%
Other expense		3,433	1,037	231%	239	3,194	1,663	-93%	-86%
EBITDA ¹		29,009	19,218	51%	12,897	16,112	11,576	-20%	11%
Depreciation, depletion & amortization		9,825	9,696	1%	4,015	5,810	5,836	-31%	-31%
EBIT ¹	\$	19,184	9,522	101%	8,882	10,302	5,740	-14%	55%

Payable zinc production for Q2 2022 was 16.7 million pounds, which on a quarterly basis, represents above revised guidance performance. It is a 2% decrease compared to the prior quarter due primarily to a 5% decrease in head grade in line with the mine plan and a decrease of 15% compared to the corresponding quarter in 2021 due to the 9% decrease in head grade.

Payable zinc volumes sold for Q2 2022 decreased compared to the prior quarter and corresponding quarter in 2021 as a direct result of the decrease in zinc payable production and timing of shipments, respectively. As planned, there was one lead payable sale during the quarter, that resulted in a decrease of 16% and 18% when compared to the prior quarter and the comparative quarter in 2021 due to timing of shipments, respectively. The current mine plan allows for two lead shipments during 2022 that have been completed.

C1 Cash Cost¹ increased by 17% and 35%, respectively, compared to the prior quarter and the corresponding quarter in 2021 primarily due to higher smelting and refining charges and freight rates, inflationary cost increases, lower by-product credits and higher maintenance costs, partially offset by lower

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

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

royalty and distribution costs due to lower sales volumes. AISC¹ increased by 55% and 61%, respectively, compared to the prior quarter and the corresponding quarter in 2021, more than the increase in C1 Cash Cost¹ due to higher capital spend on the replacement of heavy mining equipment and sustaining capital projects deferred from the prior quarter.

Adjusted EBITDA¹ in Q2 2022 decreased by 32% compared to the prior quarter due to lower zinc sales volumes caused by lower production, lower lead sales and higher mining costs related to maintenance and inflationary costs, while the metrics were 1% below the corresponding quarter in 2021 due to higher smelting and refining charges and higher freight rates.

PERKOA MINE, BURKINA FASO

		YTD Q2'22	YTD Q2'21	YoY	Q2'22 Q2'22 vs Q1'22	Q1'22	Q2'21	Q2'22 vs Q1'22	Q2'22 vs Q2'21
Production									
Ore mined	t	198,202	353,165	-44%	26,415	171,787	161,691	-85%	-84%
Ore milled	t	202,304	401,665	-50%	25,810	176,494	195,596	-85%	-87%
Zinc head grade		12.8%	12.5%	2%	15.2%	12.5%	12.2%	22%	25%
Zinc recovery		89.3%	88.8%	1%	89.3%	89.3%	90.3%	0%	-1%
Zinc concentrate grade		48.9%	50.3%	-3%	50.9%	48.6%	50.1%	5%	2%
Zinc payable	Mlbs	42.8	82.9	-48%	6.5	36.3	39.9	-82%	-84%
Sales									
Zinc payable	Mlbs	48.9	79.3	-38%	9.5	39.4	41.3	-76%	-77%
C1 Cash Cost ¹	\$/lb	1.15	0.88	31%	1.44	1.10	0.96	31%	50%
AISC ¹	\$/lb	1.23	0.94	31%	1.59	1.16	1.03	37%	54%
FINANCE									
Revenues, net	\$	62,941	75,714	-17%	12,155	50,786	39,304	-76%	-69%
Mine operating expenses		30,216	48,640	-38%	6,336	23,880	26,701	-73%	-76%
Adjusted EBITDA ¹		32,725	27,074	21%	5,819	26,906	12,603	-78%	-54%
Other expense (income)		(1,677)	986	-270%	13,533	(15,210)	(1,054)	189%	1384%
Perkoa flood-related costs		15,226	-	100%	15,226	-	-	100%	100%
Impairment		17,544	-	100%	17,544	-	-	100%	100%
EBITDA ¹		1,632	26,088	-94%	(40,484)	42,116	13,657	-196%	-396%
Depreciation, depletion & amortization		22,318	18,372	21%	5,387	16,931	10,135	-68%	-47%
EBIT ¹	\$	(20,686)	7,716	-368%	(45,871)	25,185	3,522	-282%	-1402%

Payable zinc production for Q2 2022 was 6.5 million pounds, an 82% and 84% decrease over the prior quarter and corresponding quarter in 2021 due to the Perkoa flooding event on April 16, 2022 that resulted in the suspension of all operations to date.

Payable zinc volumes sold for Q2 2022 were directly impacted by the lower production as a result of the suspension of operations. One shipment was completed representing the zinc concentrate production prior to the suspension of operations.

C1 Cash Cost¹ and AISC¹ in Q2 2022 increased by 31% and 37%, respectively, compared to the prior quarter due to the 82% decrease in zinc payable production, partially offset by lower variable costs as a result of the suspension of operations. The C1 Cash Cost¹ and AISC¹ increased by 50% and 54%, respectively, compared to the corresponding quarter in 2021 for the same reasons.

Adjusted EBITDA¹ in Q2 2022 decreased significantly at 78% and 54% compared both to the prior quarter and the corresponding quarter of 2021, respectively, due to decreased revenues as a result of lower production caused by the suspension of mining operations.

During Q2 2022, the Company recorded a non-cash impairment charge of the property, plant and equipment at the Perkoa mine as a result of the suspension of operations following the flooding event of the Perkoa underground mine on April 16, 2022. A non-cash impairment charge of \$17.5 million was recognized, \$13.5 million related to property, plant and equipment and \$4.0 million related to near-mine exploration assets.

Subject to approval by the Burkina Faso authorities, the Company is undertaking precursory activities to ensure operational readiness. The Ministry of Mines and Quarries is currently reviewing the Perkoa restart plan. Operating cost and production guidance at Perkoa remains suspended.

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

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

CARIBOU MINE, CANADA

		YTD Q2'22	YTD Q2'21	YoY	Q2'22	Q1'22	Q2'21	Q2'22 vs Q1'22	Q2'22 vs Q2'21
Production									
Ore mined	t	281,581	209,783	34%	152,839	128,742	188,070	19%	-19%
Ore milled	t	280,613	212,698	32%	154,702	125,911	195,087	23%	-21%
Zinc head grade		5.2%	5.6%	-7%	5.1%	5.2%	5.6%	-2%	-9%
Lead head grade		1.8%	2.2%	-18%	1.7%	2.0%	2.2%	-15%	-23%
Silver head grade	ozs/t	1.8	2.1	-14%	1.6	2.0	2.1	-20%	-24%
Zinc recovery		76.7%	77.8%	-1%	77.8%	75.3%	78.8%	3%	-1%
Lead recovery		61.0%	59.3%	3%	59.2%	62.9%	60.0%	-6%	-1%
Silver recovery		34.3%	33.4%	3%	33.3%	35.3%	34.0%	-6%	-2%
Zinc concentrate grade		46.9%	47.4%	-1%	47.7%	46.0%	47.6%	4%	0%
Lead concentrate grade		36.2%	37.0%	-2%	36.8%	35.7%	37.2%	3%	-1%
Zinc payable	Mlbs	20.3	16.9	20%	11.3	9.0	15.7	26%	-28%
Lead payable	Mlbs	6.3	5.6	13%	3.1	3.2	5.2	-3%	-40%
Silver payable	Mozs	0.2	0.2	0%	0.1	0.1	0.1	0%	0%
Sales									
Zinc payable	Mlbs	19.8	13.7	45%	11.6	8.2	13.7	41%	-15%
Lead payable	Mlbs	4.4	3.3	33%	1.9	2.5	3.3	-24%	-42%
Silver payable	Mozs	0.1	0.1	0%	-	0.1	0.1	-100%	-100%
C1 Cash Cost ¹	\$/lb	1.77	0.80	121%	1.79	1.74	0.80	3%	124%
AISC ¹	\$/lb	2.20	1.05	110%	2.15	2.27	1.01	-5%	113%
FINANCE									
Revenues, net	\$	21,173	18,191	16%	11,337	9,836	18,191	15%	-38%
Mine operating expenses		31,452	12,544	151%	18,382	13,070	12,828	41%	43%
Care and maintenance		-	386	-100%	-	-	-	0%	0%
Adjusted EBITDA ¹		(10,279)	5,261	-295%	(7,045)	(3,234)	5,363	-118%	-231%
Other expense		2,560	7,276	-65%	884	1,676	826	-47%	7%
Impairment		6,154	-	100%	6,154	-	-	100%	100%
EBITDA ¹		(18,993)	(2,015)	-843%	(14,083)	(4,910)	4,537	-187%	-410%
Depreciation, depletion & amortization		5,170	4,770	8%	2,833	2,337	3,482	21%	-19%
EBIT ¹	\$	(24,163)	(6,785)	-256%	(16,916)	(7,247)	1,055	-133%	-1703%

Caribou's full year production and cost guidance has been suspended and the operation is under review following continued operational performance issues due to low productivity rates and equipment and operator availability, from the mining contractor.

Payable zinc production for Q2 2022 was 11.3 million pounds. As a result of lower production since Q4 2021, the volumes agreed to in the fixed-price arrangement were not achieved each month and as at June 30, 2022, a deficit of 24.8 million pounds of payable zinc had accumulated. This deficit is being rolled forward to be settled with future production. Improvement in development metres during Q1 2022 resulted in an increase in the number of stopes on the ground in Q2 2022. However, mining contractor performance, including mobile equipment and operator availability have negatively impacted production in Q2 2022. Efforts prioritizing equipment availability; including the replacement of some of the fleet as well as improvements to maintenance strategies and tactics are underway.

Approval from the Department of Natural Resources has been received to commence construction of the tailings pond raise.

Payable zinc volumes sold for Q2 2022 increased by 41% from the prior quarter due to the increase in production.

C1 Cash Cost¹ increased by 3% compared to the prior quarter primarily due to the impact of the higher smelting and refinery charge and freight rates, and inflationary operating cost increases. The AISC¹ decreased by 5% due to lower sustaining capital expenditures.

Adjusted EBITDA¹ in Q2 2022 decreased by 118% compared to the prior quarter due to an increase in mine operating costs related to higher mining and maintenance, consultant costs and the inflationary impact on fuel, power and other logistic costs.

During Q2 2022, the Company recorded a non-cash impairment charge of \$6.2 million related to property, plant and equipment at the Caribou mine as a result of the negative cash flows in consecutive quarters.

The Caribou mine was placed on care and maintenance on March 26, 2020 and operations were restarted in late March 2021. The care and maintenance period included all Q2 2021 and during that time the Caribou mine's care and maintenance costs were disclosed separately within operating expenses on the consolidated statement of operations. The restart plan was for an initial two-year operating plan that included a 21-month fixed-pricing arrangement for 115 million pounds of payable zinc production from the Caribou mine, at a zinc price of \$1.25 per pound. The restart resulted in costs of \$6.3 million, in line with the restart plan to transition the operation from care and maintenance to full production.

DEVELOPMENT AND EXPLORATION PROJECTS

RP2.0 Project, the Rosh Pinah Mine

Following the announcement of positive results from the RP2.0 NI 43-101 Feasibility Study on August 17, 2021 (the "Feasibility Study"), work as part of the previously announced \$20 million Early Works program continue to be advanced to maintain the project schedule and to mitigate risks associated with the project as outlined in the Feasibility Study. All long lead items for the paste backfill plant have been procured, earthworks in preparation of civil construction for the paste backfill plant has commenced and upgrading of the bulk power supply system has commenced.

The expansionary capital cost estimate has been revised to \$121 million from the \$111 million referenced in the Feasibility Study and the estimated commissioning date has changed to Q4 2024, assuming full financing is in place by the end of Q3 2022. The increase to the expansionary capital is largely attributable to global inflationary pressures and current market conditions for labor and materials, partially offset by the devaluation of the Namibian dollar, South African Rand, and Euro. A full funding decision on the RP2.0 Expansion project has not been made. In the event that neither a financing nor a strategic alternative is available promptly and upon acceptable terms, Trevali may need to amend or adjust its plans for construction of the RP2.0 Expansion project.

Of the \$121 million expansionary capital, \$4.1 million has been incurred up to June 30, 2022. The \$20 million Early Works program is under review and capital spending guidance has been suspended.

Rapid Oxidative Leach Program, the Caribou mine

In the summer of 2020, a series of initiatives were undertaken to explore options to create additional revenue streams for Caribou. From these initiatives, the ROL process was selected for further evaluation. Initial batch tests conducted by FLSmidth ("FLS") at their facility in Salt Lake City ("SLC"), Utah, USA provided positive results on the processing of feed material from Caribou mine and the Caribou tailings. Following these results, Trevali proceeded to pilot plant testing. Pilot plant work was undertaken in two phases. During Phase 1, Caribou feed was tested on a continuous basis in SLC. The results from this pilot plant trial supported all the findings from initial scoping work. Therefore, it was decided to move to Phase 2 of the pilot plant work which consisted of operating the pilot plant at the Caribou operation to reconfirm the Phase 1 results. Phase 2 testing was completed on both run-of-mine ore and the Caribou tailings. Base metals leaching on tailings yielded zinc recovery of 87% and copper recovery of 60%, while run-of-mine ore testing had recoveries of 99% for zinc and 56% for copper. The tailings testing omitted a rinsing step which resulted in zinc and copper precipitate to report to the residue, reducing the recoveries to the stated values. During precious metals leaching, both types of feed material experienced oxidation above 97% with retention time of 89 hours for the run-of-mine ore and 92 hours for the tailings. Samples were then sent to FLS's facility in SLC for downstream testwork including sulfur removal followed by carbon-in-leach ("CIL"). The sulfur removal process removed more than 95% of the contained elemental sulfur using sodium sulfide. The samples were then subjected to CIL. The recovery of gold and silver were lower than expected with tailings recovery averaging 82% for gold and 1% for silver and run-of-mine recovery averaging 85% for gold and 17% for silver. The high concentration of iron during the ROL process led to the formation of jarosite, resulting in the encapsulation of silver and rendering it unavailable to CIL. To attempt to improve the recoveries, an additional set of samples was subjected to a lime boil after the sulfur removal and before CIL. For the tailings, silver recoveries did improve to 39% but gold recovery dropped to 46% with lime boil, while run-of-mine silver recovery increased to 2% and gold recovery decreased to 26% with the lime boil.

Further investigation of the gold and silver behavior in the residue is required in order to determine the reasons for the lower recoveries.

Throughout Q2 2022, work has continued to advance the completion of an NI 43-101 technical report in relation to the evaluation at a preliminary economic assessment (“PEA”) level of the viability of ROL for Trevali’s properties in the Bathurst area. The final operating cost estimates increased substantially from earlier estimates, primarily attributed to an increase in reagent consumption and cost. Similar to the operating cost, a large increase in the capital cost estimate resulted in the project not being viable based on the current outlook for key macroeconomic indicators. As a result, further work on the project has been suspended.

Exploration Program

The 2022 exploration program objectives were to continue to focus on advancing near-mine exploration targets towards the development of new mineral resources located within trucking distance of the existing mines at Perkoa and Rosh Pinah, while also maintaining the necessary level of expenditures on regional programs to make new discoveries. In New Brunswick, where Trevali has a large mineral resource base across multiple deposits and concessions, minimal exploration expenditures have been allocated to maintain the concessions in good standing while the Company conducts a PEA on the application of the ROL process.

Perkoa Exploration, Burkina Faso

During Q2, drilling continued to focus on targeting a combination of Electromagnetic (EM) and surface geochemistry anomalies located East of the Perkoa mine on a prospective volcano-sedimentary sequence. Multiple regional EM targets were generated with the 2021 ground Fluxgate surveys. These anomalies were targeted with the drilling program in the first half of 2022. Ground Fluxgate EM surveys continued in Q2 on the same volcano-sedimentary sequences located East and North of the Perkoa mine as well as the Arrow concessions adjacent to the Perkoa mine and located directly to the South of the mine.

Rosh Pinah Exploration, Namibia

Drilling from underground continued during Q2 along the Western Orefield, targeting Mineral Resource conversion on the southern portion of the WF3 deposit. Drilling was also undertaken at the AAB deposit during the quarter to extend the deposit along strike. The regional drilling programs also continued in Q2 with drilling at the McMillan anomaly located East of the Rosh Pinah mine and to the North on the Gergarub licence and Anomaly 11. Regional surface EM Fluxgate surveys continued at Rosh Pinah during the quarter focusing on the Northern portion of the exploration licence.

Bathurst Camp Exploration, New Brunswick

There was no exploration work conducted in New Brunswick in Q2.

LIQUIDITY AND CAPITAL RESOURCES**Balance Sheet Review**

	June 30, 2022	December 31, 2021	Change
Cash and cash equivalents	\$ 41,690	30,724	36%
Other current assets	63,365	91,261	-31%
Non-current assets	378,530	411,064	-8%
Total Assets	483,585	533,049	-9%
Current debt	100,590	107,976	-7%
Accounts payable and accrued liabilities	45,877	49,841	-8%
Non-current liabilities	143,768	140,309	2%
Non-controlling interests	(14,271)	(12,602)	-13%
Equity attributable to owners of Trevali	207,621	247,525	-16%
Total Liabilities and Equity	483,585	533,049	-9%

The 36% increase in cash is described in the “Cash Flows” section while the 31% decrease in other current assets is primarily attributable to the decrease in settlement receivables due to the decrease in revenue from the Perkoa mine following the suspension of operations, partially offset by the increase in zinc price and increases to VAT receivable at Perkoa and Rosh Pinah mines.

Non-current assets decreased by 8%, a net impact of \$37.0 million in depreciation recorded during Q2 2022, a non-cash impairment at Perkoa of \$17.5 million on property, plant and equipment and near-mine exploration assets, and at Caribou of \$6.2 million on property, plant and equipment, partially offset by capital additions of \$26.9 million.

Accounts payable decreased due to higher settlements of vendors and the reduction of mine operating activities at Perkoa mine.

The decrease in current debt is due to the mandatory repayment of \$5.1 million relating to the Facility that was paid in February 2022 in accordance with the terms of the agreement and lease payments made.

Financial Condition and Liquidity

	June 30, 2022	December 31, 2021	Change
Total debt	\$ 101,089	108,744	-7%
Cash and cash equivalents	41,690	30,724	36%
Net Debt ¹	59,399	78,020	-24%
Working capital	(40,481)	(31,797)	27%

The Company’s primary sources of liquidity and capital resources are cash, cash flow provided from operations and amounts available under credit agreements. The financial position and liquidity of the Company weakened during Q2 2022 following the flood incident at the Perkoa mine on April 16, 2022. The flood incident resulted in the suspension of operations that caused a reduction in revenue while flood related-costs needed to be incurred and the decrease in the zinc and lead prices resulted in negative settlement mark-to-market adjustments for the current quarter.

As at June 30, 2022, the Company had \$64.7 million of available liquidity, comprised of cash and cash equivalents of \$41.7 million and \$23.0 million of available liquidity from the revolving credit facility (the “Facility”). As both the Facility and a second lien secured facility agreement with Glencore of \$13.0 million (the “Glencore Facility”) (together, the “Debt Facilities”) are due for repayment at maturity on September 18, 2022, a period of less than twelve months, these balances are classified as current liabilities.

Continuation as a going concern is dependent upon the Company’s ability to generate sufficient cash flows from operations to sustain working capital requirements, and to source external capital to refinance the Debt Facilities in order to avoid default on maturity. Alternatively, sufficient funding will be required until a strategic alternative can be arranged, if at all. As at June 30, 2022, the Company’s total current liabilities exceeded its current assets by \$41.4 million.

The Company appointed an external advisor in September 2021, with the objective of providing a competitive non-equity financing solution for the RP2.0 expansion project at Rosh Pinah and refinance the

¹ See “Use of Non-IFRS Financial Performance Measures”.

existing Debt Facilities (the “Financing Initiative”). The Company has been considering several opportunities for the financing package, including project finance debt, subordinated debt, and a silver stream on Rosh Pinah’s silver production.

On April 16, 2022, a flash flood occurred at the Perkoa mine in Burkina Faso following a period of intense unseasonal rainfall. After dewatering and search efforts all eight workers’ bodies that were trapped in the underground mine due to the flooding were recovered. The Company incurred \$15.2 million of direct and indirect costs between April 16 and June 30, 2022 related to dewatering efforts, infrastructure refurbishment and construction linked to repairs and rehabilitation at the mine. Additional costs related to the flooding event subsequent to June 30, 2022, continue to be incurred.

As a result of the flooding event at Perkoa, the previously announced targeted financing amount of \$200 million could no longer be relied upon and the total financing target was suspended as of May 16, 2022. In addition, the Caribou operation is under review following continued operational and financial performance issues due to low productivity rates and equipment and operator availability, from the mining contractor. The financing requirement is expected to exceed the previously targeted financing amount of \$200 million.

Following recent developments, the Financing Initiative which had progressed with several capital providers, including Standard Bank, an Export Credit Agency, Glencore, and a metal streaming company, has not sufficiently advanced in a manner that will allow for the refinancing to be completed prior to the maturity of existing Debt Facilities, if at all.

In May 2022, in parallel with the Financing Initiative, the Company engaged a financial advisor to conduct a strategic review process (the “Strategic Review”) in order to solicit proposals for a broad range of transaction alternatives including a potential investment in Trevali and the potential sale of all or part of the business and assets of Trevali. Following recent developments, there can be no assurance that the Strategic Review process will progress in a fashion that will allow for the culmination of a transaction in a timely manner or sufficient value to refinance the Debt Facilities.

Based on a review of its available liquidity, the Company anticipates that it will not be in a position to make the mandatory prepayment of approximately \$7.5 million on its revolving credit facility when such payment is due on August 17, 2022. The Company remains in discussions with its senior lenders regarding this anticipated breach of the terms of the Facility.

The Company’s ability to continue as a going concern is dependent upon its ability to generate cash flows from operations and to secure a financing package consisting of debt financing, equity financing and/or the sale of all or part of the business and assets of Trevali. While the Company has been successful in arranging financing in the past, it cannot be assured that the current Financing Initiative will be successful and there is no guarantee that the Company will ultimately be able to generate sufficient positive cash flow from operations or that the Company will find an acceptable strategic alternative. These circumstances indicate the existence of material uncertainties that create significant doubt as to the Company’s ability to meet its obligations when due, and accordingly, continue as a going concern.

Revolving Credit Facility

The Facility, last renegotiated on August 6, 2020 had a limit of \$135.0 million and bears interest at a rate of LIBOR plus 5.5% and commitment fees for the undrawn portion of the Facility at 1.3%. The Facility was permanently reduced to \$111.9 million as at June 30, 2022, through mandatory repayments of \$16.3 million in 2021 and \$5.1 million in Q1 2022. The Facility matures on September 18, 2022.

The Company has letters of credit, issued under the Facility, totaling \$4.4 million (December 31, 2021 – \$4.4 million) in respect of various reclamation bonding requirements and the mining contractor for the Caribou mine.

As at June 30, 2022, the Company was in full compliance with all covenant obligations.

Based on a review of its available liquidity, the Company anticipates that it will not be in a position to make a mandatory prepayment of approximately \$7.5 million on the Facility when such payment is due on August

17, 2022. If the mandatory prepayment cannot be made the Company would be in non-compliance with the Facility's debt covenants. The Company remains in constructive discussions with its senior lenders regarding this anticipated breach of the terms of the Facility.

At June 30, 2022, the carrying balance has been classified as current as the maturity date is less than one year. The amount available to the Company under the Facility as of June 30, 2022 was \$23.0 million.

Glencore Facility

On August 6, 2020, the Company entered a second lien secured facility agreement with Glencore up to a maximum of \$20.0 million.

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

On December 2, 2020, the Glencore Facility was reduced by \$7.0 million in connection with Glencore's participation in the share unit offering, including a resulting repayment of \$1.8 million on the facility. The amount available to the Company under the Glencore Facility as of June 30, 2022 was \$nil as the full \$13.0 million limit under the agreement has been drawn. At June 30, 2022, the carrying balance has been classified as current as the maturity date is less than one year.

Other Debt

The settlement receivable facility related to settlement receivables in Burkina Faso which are subject to the receivable factoring arrangement drawn during Q1 2022 and outstanding as at March 31, 2022 was repaid in full during Q2 2022. While the Company has transferred the receivables in exchange for cash, since the Company has retained the risk of late payment and recoverability, the Company continues to recognize the transferred accounts receivables in their entirety.

In addition to the guarantees linked to the Facility, Trevali has also arranged a \$5.1 million surety bond to support reclamation bonding requirements for the Caribou mine.

Total debt at June 30, 2022 includes leases of \$3.9 million consisting of the Caribou and Perkoa mining contractor and corporate office leases.

Cash Flows

	YTD Q2'22	YTD Q2'21	YoY	Q2'22	Q1'22	Q2'21	Q2'22 vs Q1'22	Q2'22 vs Q2'21
Operating cash flows before changes in working capital	\$ 25,088	48,982	-49%	(21,303)	46,391	33,530	-146%	-164%
Changes in working capital	32,420	(11,998)	370%	66,585	(34,165)	(32,178)	295%	307%
Net cash provided by operating activities	57,508	36,984	55%	45,282	12,226	1,352	270%	3249%
Net cash used in investing activities	(33,705)	(28,217)	19%	(19,963)	(13,742)	(15,168)	45%	32%
Net cash (used in) provided by financing activities	(11,419)	(14,305)	-20%	(11,979)	560	2,130	-2239%	-662%

The decrease in cash generated from operating activities before changes in working capital in Q2 2022 compared to the prior quarter and the corresponding quarter in 2021 is the result of the suspension of operations at the Perkoa mine following the flood incident due to lower revenues generated and additional flood-related costs that had to be incurred. The working capital changes were mainly impacted by increased collection of settlement receivables while accounts payables settlements increased.

Investing activities in Q2 2022 increased in comparison to the prior quarter and corresponding quarter in 2021 due to delays in capital projects at Rosh Pinah from Q1 2022 to the current quarter, partially offset by the Perkoa suspension of operations. Expansionary capital of \$1.7 million incurred during Q2 2022 related to RP2.0 Early Works.

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

Cash used in financing activities during Q2 2022 consists primarily of the \$8.8 million repayment of the settlement receivable factoring facility that was drawn during Q1 2022. Other amounts consisting primarily of lease and interest payments remain consistent with prior quarters.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the approximate timing of payment of the remaining maturities of the Company's commitments at June 30, 2022 in undiscounted cash flows:

	2022	2023	2024	2025	2026+	Total
Accounts payable	\$ 45,877	–	–	–	–	45,877
Facility and loans	97,501	–	–	–	–	97,501
Lease commitments	2,983	452	380	188	–	4,003
Purchase commitments	56,408	9,646	–	–	–	66,054
Reclamation and rehabilitation	–	4,901	4,901	37,646	–	47,448
	\$ 202,769	14,999	5,281	37,834	–	260,883

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

QUARTERLY FINANCIAL RESULTS

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

	Q2'22	Q1'22	Q4'21	Q3'21	Q2'21	Q1'21	Q4'20	Q3'20
Revenues	52,040	93,111	90,781	79,811	101,105	71,956	68,086	50,157
Zinc sales (Mlbs payable)	36	64	79	67	86	73	75	65
EBITDA ¹	(43,580)	54,846	24,058	27,068	30,113	15,944	(34,832)	15,368
Adjusted EBITDA ¹	9,192	41,429	25,226	20,532	32,042	24,491	20,101	11,214
Net (loss) income	(62,209)	20,055	19,552	5,752	3,877	(2,510)	(51,742)	1,122
(Loss) earnings per share – basic and diluted	(0.63)	0.20	0.20	0.06	0.04	(0.03)	(0.60)	0.00
Adjusted (loss) earnings per share ¹	(0.10)	0.07	0.01	0.00	0.06	0.06	0.04	(0.04)

The primary factors causing variation to the quarterly metrics are the commodity price volatility (zinc, lead and silver), the timing of shipments and operational disruptions. At the end of March 2020, the Caribou mine was placed on a care and maintenance program resulting in the decrease to zinc sales and operating results. The Caribou mine's operations were restarted in March 2021 with full payable zinc production resuming on March 25, 2021. There was a non-cash impairment of property, plant and equipment and exploration and evaluation assets recorded in Q4 of 2020. The Q2 2022 metrics were primarily impacted by the non-cash impairment at Perkoa of \$17.5 million on property, plant and equipment and near-mine exploration assets, and at Caribou of \$6.2 million on property, plant and equipment.

FINANCIAL RISK MANAGEMENT

Liquidity risk is the risk that the Company will be unable to satisfy financial obligations as they fall due. The Company manages its liquidity risk by optimizing its cash holdings, forecasting cash flows required by operations and anticipated investing and financing activities.

The Company's operating cash flows are very sensitive to variations in the price of zinc and lead, foreign exchange rates and ore grades, and any cash flow outlook provided may vary significantly to actual results. Spending and capital investment plans may be adjusted in response to changes in operating cash flow expectations. An increase in average zinc and lead prices from current levels may result in an increase in planned expenditures and, conversely, weaker average zinc and lead prices could result in a reduction of planned expenditures.

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

Hedging

The Company has entered hedging arrangements in respect to a portion of its forecast zinc production. Currently there is one hedging arrangement consisting of a fixed-pricing arrangement which was entered into in mid-January for 21-months covering the period from April 2021 to December 2022 for 115 million pounds of payable zinc produced at the Caribou mine at a price of \$1.25 per pound. As a result of lower production in Q4 2021, Q1 2022 and Q2 2022, the volumes agreed to in the fixed-price arrangement were not achieved each month, and, as at June 30, 2022, a deficit of 24.8 million pounds of payable zinc has accumulated. This deficit is being rolled forward to be settled with future production. This fixed-pricing arrangement was entered into as part of the Caribou mine restart in early 2021 to provide stability and predictability in a volatile zinc price environment.

In accordance with the Company's hedging policy, the hedged amounts represent less than 50% of consolidated forecast production. There are no hedges in place related to lead or silver.

RISKS AND UNCERTAINTIES

The mining industry involves many risks which are inherent to the nature of the business including global economic trends and economic, environmental and social conditions in the geographical areas of operation. As a result, the Company is subject to several risks and uncertainties, each of which could have an adverse effect on our operating results, business prospects or financial position. The Company continuously assesses and evaluates these risks and attempts to mitigate them by implementing operating standards and processes to identify, assess, report, and monitor risks across our organization.

For a comprehensive list of other risks and uncertainties affecting our business, please refer to the section entitled "Risk Factors" in our most recent Annual Information Form as supplemented by risk factors contained in this MD&A and any of the following documents filed by the Company with securities commissions or similar authorities in Canada after the date of this MD&A, which are available at www.sedar.com: material change reports; business acquisitions reports; interim financial statements; and interim management's discussion and analysis.

The Company is exposed to short- and long-term liquidity risk and default risk including the ability to meet its financial obligations. The Company may not be able to obtain the external financing necessary to continue exploration, operation and development activities which may impact the Company's ability to continue as a going concern.

As at June 30, 2022, the Company had \$64.7 million of available liquidity, comprised of cash and cash equivalents of \$41.7 million and \$23.0 million of available liquidity from the revolving credit facility (the "Facility"). As both the Facility and a second lien secured facility agreement with Glencore of \$13.0 million (the "Glencore Facility") (together, the "Debt Facilities") are due for repayment at maturity on September 18, 2022, a period of less than twelve months, these balances are classified as current liabilities.

Continuation as a going concern is dependent upon the Company's ability to generate sufficient cash flows from operations to sustain working capital requirements, and to source external capital to refinance the Debt Facilities in order to avoid default on maturity. Alternatively, sufficient funding will be required until a strategic alternative can be arranged, if at all. As at June 30, 2022, the Company's total current liabilities exceeded its current assets by \$41.4 million.

The Company appointed an external advisor in September 2021, with the objective of providing a competitive non-equity financing solution for the RP2.0 expansion project at Rosh Pinah and refinance the existing Debt Facilities (the "Financing Initiative"). The Company has been considering several opportunities for the financing package, including project finance debt, subordinated debt, and a silver stream on Rosh Pinah's silver production.

On April 16, 2022, a flash flood occurred at the Perkoa mine in Burkina Faso following a period of intense unseasonal rainfall. After dewatering and search efforts all eight workers' bodies that were trapped in the underground mine due to the flooding were recovered. The Company incurred \$15.2 million of direct and indirect costs between April 16 and June 30, 2022 related to dewatering efforts, infrastructure refurbishment

and construction linked to repairs and rehabilitation at the mine. Additional costs related to the flooding event subsequent to June 30, 2022, continue to be incurred.

As a result of the flooding event at Perkoa, the previously announced targeted financing amount of \$200 million could no longer be relied upon and the total financing target was suspended as of May 16, 2022. In addition, the Caribou operation is under review following continued operational and financial performance issues due to low productivity rates and equipment and operator availability, from the mining contractor. The financing requirement is expected to exceed the previously targeted financing amount of \$200 million.

Following recent developments, the Financing Initiative which had progressed with several capital providers, including Standard Bank, an Export Credit Agency, Glencore, and a metal streaming company, has not sufficiently advanced in a manner that will allow for the refinancing to be completed prior to the maturity of existing Debt Facilities, if at all.

In May 2022, in parallel with the Financing Initiative, the Company engaged a financial advisor to conduct a strategic review process (the “Strategic Review”) in order to solicit proposals for a broad range of transaction alternatives including a potential investment in Trevali and the potential sale of all or part of the business and assets of Trevali. Following recent developments, there can be no assurance that the Strategic Review process will progress in a fashion that will allow for the culmination of a transaction in a timely manner or sufficient value to refinance the Debt Facilities.

Based on a review of its available liquidity, the Company anticipates that it will not be in a position to make the mandatory prepayment of approximately \$7.5 million on its revolving credit facility when such payment is due on August 17, 2022. The Company remains in discussions with its senior lenders regarding this anticipated breach of the terms of the Facility.

The Company’s ability to continue as a going concern is dependent upon its ability to generate cash flows from operations and to secure a financing package consisting of debt financing, equity financing and/or the sale of all or part of the business and assets of Trevali. While the Company has been successful in arranging financing in the past, it cannot be assured that the current Financing Initiative will be successful and there is no guarantee that the Company will ultimately be able to generate sufficient positive cash flow from operations or that the Company will find an acceptable strategic alternative. These circumstances indicate the existence of material uncertainties that create significant doubt as to the Company’s ability to meet its obligations when due, and accordingly, continue as a going concern.

The flooding at the Perkoa mine may have a material adverse effect on the mine and Trevali.

The flooding at the Perkoa mine has caused the suspension of mining and milling operations. As a result, Trevali has suspended its production and cost guidance for 2022 as it relates to the Perkoa mine. The flooding event has also created uncertainty with respect to the amount and timing of the financing package currently being targeted by the Company.

The suspension of mining and milling operations at the Perkoa mine will result in reduced zinc production for 2022 relative to previously released guidance. Construction and infrastructure requirements to effectively repair and rehabilitate the mine are not accurately estimable at this time. Underground development activities may only recommence once it has been determined it is safe to do so.

To date, the Company has incurred several expenditures related to the flooding event and anticipates additional expenditures as it works to rectify the flooding’s impact. In the event that (i) the Company is unable to restart the Perkoa mine, (ii) the restart is too capital or time intensive or (iii) during a restart the Company encounters unforeseen costs or liabilities, the Company will be materially adversely affected. Earnings, cash flows, financial conditions, the ability to complete the financing package currently being targeted by the Company, stakeholder and government support, results of operations or prospects of the Company may be materially impacted.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

These areas of judgment and critical accounting estimates are consistent with those reported in the 2021 annual consolidated financial statements and MD&A.

ACCOUNTING CHANGES

There have been no changes in accounting policy and no new standards and interpretations adopted in 2022.

OUTSTANDING SHARE DATA

The Company's authorized capital consists of an unlimited number of common shares without par value, of which 98,946,187 are issued and outstanding as of the date of this MD&A.

In addition, there were 5.2 million employee stock options outstanding, with exercise prices ranging between C\$1.32 and C\$15.90 per share and approximately 93 million common share purchase warrants outstanding with an exercise price of C\$0.23 each. More information on these instruments, and the terms of their conversion, is set out in Notes 14 and 10, respectively, to the 2021 audited annual consolidated financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company currently has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS AND BALANCES

Glencore

As of June 30, 2022, Glencore owned 25,983,592 Trevali common shares representing approximately 26.3% of the total issued and outstanding common shares. 24,500,000 common share purchase warrants with an exercise price of C\$0.23 each expired on June 2, 2022. See Note 10 of the 2021 audited annual consolidated financial statements for more information on these instruments.

Glencore purchased all of the Company's concentrate production under separate off-take agreements with each of its mines which were entered into before Glencore was a related party of the Company.

Glencore is also a lender to the Company, as described above under "Liquidity and Capital Resources – Glencore Facility". In addition, pursuant to a Services Agreement dated August 31, 2017 between the Company and Glencore, Glencore provides certain technical, financial and other advisory services to the Company, which are provided on a cost-recovery basis.

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

The Company has entered into the following transactions with Glencore:

	YTD Q2'22	YTD Q2'21	YoY	Q2'22	Q1'22	Q2'21	Q2'22 vs Q1'22	Q2'22 vs Q2'21
Net revenue on concentrate sales	\$ 145,151	173,061	-16%	52,040	93,111	101,105	-44%	-49%
Settlement mark-to-market (gain) loss	(2,973)	265	-1222%	12,084	(15,057)	348	-180%	3372%
Interest expense	390	367	6%	207	183	184	13%	13%

	June 30, 2022	December 31, 2021
Settlement receivable from Glencore	\$ 5,522	35,531
Payable to Glencore	224	-
Glencore Facility ¹	\$ 13,001	13,000

¹ Balance excludes capitalized transaction fees.

MANAGEMENT'S REPORT ON INTERNAL CONTROLS

Disclosure Controls and Procedures ("DC&P")

Management, under the supervision of the President and Chief Executive Officer and the Chief Financial Officer, has designed DC&P which provide reasonable assurance that material information related to Trevali is identified and communicated on a timely basis.

Internal Control over Financial Reporting ("ICFR")

Management, under the supervision of the President and Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate ICFR. Any system of ICFR, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management assesses the effectiveness of the Company's ICFR annually based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission on Internal Control – Integrated Framework (2013).

There have been no significant changes in the Company's internal controls that have materially affected, or are reasonably likely to materially affect, ICFR during the three months ended June 30, 2021.

USE OF NON-IFRS FINANCIAL PERFORMANCE MEASURES

This MD&A refers to the following non-IFRS financial performance measures: Earnings before interest, taxes, depreciation and amortization ("EBITDA"), Earnings before interest and taxes ("EBIT"), Adjusted EBITDA, Adjusted Earnings per Share, Net Debt, C1 Cash Cost and All-In Sustaining Cost ("AISC").

These measures are not recognized under IFRS as they do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. Trevali uses these measures internally to evaluate the underlying operating performance of the Company for the reporting periods presented. The use of these measures enables the Company to assess performance trends and to evaluate the results of the underlying business. Trevali understands that certain investors, and others who follow the Company's performance, also assess performance in this way.

The Company believes that these measures reflect our performance and are useful indicators of our expected performance in future periods. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

EBITDA and EBIT

EBITDA provides insight into overall business performance. This measure assists readers in understanding the ongoing cash generating potential of the business including liquidity to fund working capital, service debt, and fund capital expenditures and investment opportunities. EBITDA is profit attributable to shareholders before net finance expense, income taxes and depreciation, depletion, and amortization. EBIT is EBITDA after depreciation, depletion, and amortization. Other companies may calculate EBIT and EBITDA differently.

Adjusted EBITDA, Adjusted EBIT and Adjusted Earnings per Share

Adjusted EBITDA consists of EBITDA less the impact of impairments or reversals of impairment and other non-cash and non-recurring expenses and recoveries. Adjusted EBIT consists of EBIT less the impact of impairments or reversals of impairment and other non-cash and non-recurring expenses and recoveries. These expenses and recoveries are removed from the calculation of EBITDA and EBIT as the Company does not believe they are reflective of the Company's ability to generate liquidity and its core operating results.

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

Adjusted Earnings per Share consists of net income or loss in the period less the impact of impairments or reversals of impairment, settlement mark-to-market (gain) loss, mark-to-market (gain) loss on financial instruments, (gain) loss on foreign exchange, restructuring expenses and other income or expenses.

	YTD Q2'22	YTD Q2'21	Q2 2022	Q2 2021
Net (loss) income	\$ (42,154)	1,367	(62,209)	3,877
Current income tax expense (recovery)	7,449	1,661	(499)	1,170
Deferred income tax expense	2,585	2,449	3,548	1,571
Interest expense	5,344	5,594	2,981	2,787
EBIT	(26,776)	11,071	(56,179)	9,405
Depreciation, depletion and amortization	38,043	34,985	12,599	20,707
EBITDA	11,267	46,056	(43,580)	30,112
Mark-to-market (gain) loss on financial instruments	(3,795)	265	(644)	348
Settlement mark-to-market (gain) loss	(2,973)	1,198	12,084	456
Other expenses	5,891	505	3,524	(503)
Mine restart expenses	–	6,338	–	–
Perkoa flood-related costs	15,226	–	15,226	–
Impairment	23,698	–	23,698	–
Loss (gain) on foreign exchange	1,307	2,171	(1,116)	1,629
Adjusted EBITDA	\$ 50,621	56,533	9,192	32,042
Net (loss) income	\$ (42,154)	1,367	(62,209)	3,877
Loss (gain) on foreign exchange	1,307	2,171	(1,116)	1,629
Impairment	23,698	–	23,698	–
Perkoa flood-related costs	15,226	–	15,226	–
Mine restart expenses	–	6,338	–	–
Other expenses	5,891	505	3,524	(503)
Settlement mark-to-market (gain) loss	(2,973)	1,198	12,084	456
Mark-to-market (gain) loss on financial instruments	(3,795)	265	(644)	348
Adjusted net income	\$ (2,800)	11,845	(9,437)	5,809
(Loss) Earnings per Share	\$ (0.43)	0.01	(0.63)	0.04
Adjusted Earnings per Share	\$ (0.03)	0.12	(0.10)	0.06
Weighted average number of shares outstanding – basic ('000)	98,946	98,915	98,946	98,921

Net Debt

Net Debt demonstrates how the Company's debt is being managed and is defined as total current and non-current portions of debt and lease liabilities less cash and cash equivalents.

	June 30, 2022	December 31, 2021
Revolving Credit Facility, net of fees	\$ 84,270	88,909
Glencore Facility, net of fees	12,959	12,875
	97,229	101,784
Leases	3,860	6,960
Total debt	\$ 101,089	108,744
Less: cash and cash equivalents	41,690	30,724
Net Debt	\$ 59,399	78,020

C1 Cash Cost

This measures the estimated cash cost to produce a pound of payable zinc. This measure includes mine operating production expenses such as mining, processing, administration, indirect charges (including surface maintenance and camp), and smelting, refining and freight, distribution, royalties, and by-product metal revenues divided by pounds of payable zinc produced. C1 Cash Cost per pound of payable zinc produced does not include depreciation, depletion, and amortization, reclamation expenses, capital sustaining and exploration expenses.

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

AISC

This measures the estimated cash costs to produce a pound of payable zinc plus the estimated capital sustaining costs to maintain the mine and mill. This measure includes the C1 Cash Cost per pound and capital sustaining costs divided by pounds of payable zinc produced. All-In Sustaining Cost per pound of zinc payable produced does not include depreciation, depletion, and amortization, reclamation and exploration expenses.

	Q2 2022				Total
	Perkoa	Rosh Pinah	Caribou		
Mine production costs	\$	4,096	12,037	16,762	32,895
Smelting and refining		4,079	6,450	4,809	15,338
Distribution		887	990	235	2,112
Royalties		313	1,317	–	1,630
Less: By-product revenues		–	(9,315)	(1,636)	(10,951)
C1 total costs		9,375	11,479	20,170	41,024
Sustaining CAPEX		651	9,253	2,947	12,851
Lease payments		360	–	1,150	1,510
AISC total costs	\$	10,386	20,732	24,267	55,385
Pounds of zinc payable produced	Mlbs	6.5	16.7	11.3	34.5
C1 Cash Cost	\$/lbs	1.44	0.69	1.79	1.19
AISC	\$/lbs	1.59	1.24	2.15	1.61

	YTD Q2 2022				Total
	Perkoa	Rosh Pinah	Caribou		
Mine production costs	\$	22,893	22,876	31,882	77,651
Smelting and refining		21,005	12,461	8,533	41,999
Distribution		3,763	2,239	396	6,398
Royalties		1,682	3,235	–	4,917
Less: By-product revenues		–	(19,242)	(4,952)	(24,194)
C1 total costs		49,343	21,569	35,859	106,771
Sustaining CAPEX		2,415	12,849	6,589	21,853
Lease payments		725	–	2,273	2,998
AISC total costs	\$	52,483	34,418	44,721	131,622
Pounds of zinc payable produced	Mlbs	42.8	33.7	20.3	96.8
C1 Cash Cost	\$/lbs	1.15	0.64	1.77	1.10
AISC	\$/lbs	1.23	1.02	2.20	1.36

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

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

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

Sustaining capital expenditures are defined as those expenditures which do not increase payable mineral production at a mine site and excludes all expenditures at the Company's projects and certain expenditures at the Company's operating sites which are deemed expansionary in nature. The following table reconciles sustaining capital expenditures to the Company's total capital expenditures:

	YTD Q2 2022	YTD Q2 2021	Q2 2022	Q2 2021
Additions to property, plant and equipment	26,854	31,456	15,139	12,828
Sustaining capital expenditures	21,853	15,861	12,851	9,211
Expansionary capital expenditures	5,001	7,710	2,288	3,596
Right of use assets	–	7,885	–	21

NOTES TO READER

Cautionary Note Regarding Forward-Looking Information and Statements

This MD&A contains “forward-looking information” within the meaning of Canadian securities legislation and “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, “forward-looking statements”). Forward-looking statements are based on the beliefs, expectations and opinions of management of the Company as of the date the statements are published, and the Company assumes no obligation to update any forward-looking statement, except as required by law.

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events including, but not limited to, statements with respect to the Company's revised financial and operational guidance for fiscal 2022, including the Company's forecast AISC, C1 Cash Costs, production and capital expenditures, growth strategies, expected annual savings from capital projects, anticipated supply, demand and market outlook for commodities, future commodity prices, anticipated effects of commodity prices on revenues, estimation of Mineral Reserves and Mineral Resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production and capital expenditures, success and restart of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, future anticipated property acquisitions, the content, cost, timing and results of future exploration programs and life of mine expectancies, the approval of up to 100% of the amount of a new financing package, the completion and satisfaction of the condition precedent to receive a new financing package, the securing of additional financing from mining-focused alternative lenders, including Standard Bank, an Export Credit Agency, Glencore and a metal streaming company, before the maturity of the Debt Facilities, if at all, the timing of the release of the PEA, the proposed mining methods at Caribou and their anticipated effects on recoveries and mining flexibility, the Company's planned development activities at Caribou and their ability to extend the Caribou mine life, the restart of processing operations at the Perkoa mine and the anticipated timing thereof, the efficacy of the Company's implemented recommendations following the incident investigation, the Company's assessment of the effect of the flooding on the safety and structural integrity of the Perkoa mine's underground areas, the delivery of critical mining equipment to replace equipment damaged in the flooding incident, the Company's expectations to fund its current liabilities from cash flows generated by operating activities and to renegotiate the Debt Facilities with current and new prospective lenders and the

Company's belief that it may default on the mandatory prepayment and therefore breach the terms of the Facility. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects", "outlook", "guidance", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to the fact that the Company's cost, expenditure and production guidance may not accurately estimate the Company's actual costs, expenditures or production at the Company's projects, securing additional financing and the timing thereof; the anticipated default on a mandatory prepayment and therefore breach of the Facility; actual results of current exploration activities; the flooding of the Perkoa mine may have a material adverse effect on the mine and Trevali; the Company's implemented recommendations following the incident investigation may not guarantee sufficient protection; the timing of the delivery of critical mining equipment to replace equipment damaged in the flooding incident; changes in project parameters as plans continue to be refined; the suspension of the Caribou mine's full-year production and cost guidance; the review of the Caribou mine's operations; the review of the Early Works Program; the suspension of capital spending guidance of the Early Works Program; future prices of zinc, lead, silver and other minerals and the anticipated sensitivity of our financial performance to such prices; possible variations in ore reserves, grade or recoveries; results of current and planned exploration activities; dependence on key personnel; potential conflicts of interest involving our directors and officers; labour pool constraints; labour disputes; availability of infrastructure required for the development of mining projects; delays or inability to obtain governmental and regulatory approvals for mining operations, including the restart of operations at the Perkoa mine, or financing or in the completion of development or construction activities; counterparty risks; increased operating and capital costs; foreign currency exchange rate fluctuations; operating in foreign jurisdictions with risk of changes to governmental regulation; compliance with governmental regulations; compliance with environmental laws and regulations; land reclamation and mine closure obligations; challenges to title or ownership interest of our mineral properties; maintaining ongoing social license to operate; impact of climatic conditions on the Company's mining operations; corruption and bribery; limitations inherent in our insurance coverage; compliance with debt covenants; competition in the mining industry; our ability to integrate new acquisitions into our operations; cybersecurity threats; litigation; and other risks of the mining industry including, without limitation, other risks and uncertainties that are more fully described in the "Risks and Uncertainties" section of this MD&A and the "Risk Factors" section of our most recently filed Annual Information Form. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Trevali provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events may differ from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Qualified Person and Quality Control/Quality Assurance

Yan Bourassa, Vice President, Technical Services of the Company, is a qualified person as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators and has supervised and approved the preparation of the scientific and technical information that forms the basis for this MD&A.

For a description of the key assumptions, parameters and methods used to estimate Mineral Reserves and Resources, as well as data verification procedures and a general discussion of the extent to which the estimates of scientific and technical information may be affected by any known environmental, permitting, legal title, taxation, sociopolitical, marketing or other relevant factors, please see the technical reports for our material properties as filed by us on SEDAR at www.sedar.com.