



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

(Expressed in thousands of US dollars)

2019



ASCENDANT RESOURCES INC.

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INTRODUCTION

The following Management's Discussion & Analysis ("MD&A") dated May 5, 2020 is a review of the operations, current financial position and outlook for Ascendant Resources Inc. (the "Company" or "Ascendant") and should be read in conjunction with the Company's Consolidated Financial Statements for the years ended December 31, 2019 and 2018, and related notes thereto. The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A was reviewed and approved by the Company's Audit Committee and Board of Directors on May 5, 2020. Additional information relating to the Company, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com. The Company uses non-IFRS performance measures in the MD&A which do not have any standardized meaning prescribed by IFRS and therefore may not be directly comparable to similar measures presented by other issuers. The Company provides a reconciliation in this MD&A between non-IFRS performance measures and the most closely comparable IFRS performance measures.

COMPANY OVERVIEW & BACKGROUND

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

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

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

The 10,700-hectare Project represents a low-cost entry into an early-stage, high-grade, polymetallic exploration opportunity in a low risk, established and prolific jurisdiction, and presents significant

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

exposure to a known, high-grade VMS deposit that has great exploration potential to expand its Mineral Resource Estimate in the near term.

On April 27, 2020, Ascendant completed the sale of its wholly-owned Honduran subsidiary American Pacific Honduras S.A. de C.V. ("AMPAC"), which holds 100% of the El Mochito mine, to Kirungu Corporation (the "Transaction"). Upon closing of the Transaction, Kirungu acquired 100% of the issued and outstanding shares of AMPAC for a purchase price of \$1.0 million cash plus an additional \$0.1 million in working capital adjustments and a royalty on zinc sales from the El Mochito mine, subject to the future price of zinc, wherein Kirungu will pay Ascendant US\$0.0125 per lb of zinc for all sales through December 31, 2029 when the price of zinc is in excess of US\$1.15 per lb.

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

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

2019 HIGHLIGHTS

Three months ended December 31, 2019

Contained metal production for the fourth quarter 2019 ("Q4/19") was 29.4 million pounds of zinc equivalent ("ZnEq") metal, comprised of 16.5 million pounds of zinc, 7.7 million pounds of lead and 394k ounces of silver. Total contained metal production for the quarter increased by 27% over the fourth quarter 2018 ("Q4/18") production of 23.2 million pounds of ZnEq metal and 2% over the third quarter 2019 ("Q3/19") production of 28.8 million pounds of ZnEq metal, due to higher zinc (6%) and substantially increased lead (11%) and silver grades (17%).

Milled production in Q4/19 of 187 kt demonstrated a marginal improvement over 185 kt in Q4/18 and was 7% lower than the 200 kt in Q3/19, predominantly a result of seasonal holidays.

The average head grade in Q4/19 of 8.5% ZnEq for the quarter represents an increase of 22% over Q4/18 and a 9% increase over Q3/19. Milled zinc grades for the quarter were 4.6%, up 10% as compared to Q4/18 and up 6% as compared to Q3/19. Lead head grades of 2.3% demonstrated an increase of 23% over Q4/18 and 11% over the previous quarter. Silver feed grades increased by 17% to 81g/t from the 69g/t achieved in previous quarter and was up 5% from 77g/t in Q4/18. The increase in silver and lead grades are a direct result of the Company focussing on dilution and improved production from various, small high-grade pillars in the upper old part of the mine.

Zinc processing recoveries of 86% in Q4/19 were 2% higher than both the Q3/19 and Q4/18 results. Lead recoveries of 80% were marginally down 1% from Q3/19 and up 3% against Q4/18. Overall silver recoveries were 81%, a decrease of 2% from Q3/19 but up 6% from Q4/18. The reduced performance in lead and silver recovery against Q3/19 was a result of reduced capacity in the float cells due to the higher lead head grade in the plant, residence time in these cells being to the low side for the higher-than-average grade lead.

The Company generated revenues of \$19.97 million in Q4/19 as a result of the sale of 24.8 million pounds of ZnEq metal, comprised of 13.4 million pounds of payable zinc in concentrates, 6.9 million pounds of payable lead in concentrates and 338,884 ounces of payable silver in concentrates. Average realized metal prices were \$1.08 per pound zinc, \$0.95 per pound lead and \$17.36 per ounce silver. Revenues in Q4/19 were down 7% over Q4/18, and down 9% from Q3/19, as a result of lower metal prices for the comparative quarters. On a per tonne basis, the company generated a net smelter return ("NSR") of \$107.78 per tonne milled during Q4/19, down 11% from \$121.42 per tonne in Q4/18, due to the drop in metal prices year over year. This compares to NSR of \$115.68 per tonne milled in Q3/19.

Direct operating costs per tonne milled for Q4/19 at El Mochito were \$85.63, in line with Q4/18 direct operating costs per tonne milled of \$85.38, and a 1% decrease compared to Q3/19 direct operating costs per tonne milled of \$86.52. This was due to reduced capitalized development, which resulted in a larger than expected amount of fixed costs being allocated to operating costs. While higher than anticipated direct operating costs have persisted, the Company is pleased to demonstrate a small

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

improvement over the previous quarter as we have a strong emphasis on decreasing costs in light of energy, labour cost and concentrate treatment charge pressures. Capital expenditures totaled \$3.46 million, or \$18.51 per tonne milled in Q4/19, as compared to \$3.62 million, or \$19.58 per tonne milled, in Q4/18. Capital expenditures totaled \$3.25 million, or \$16.25 per tonne milled, in Q3/19.

Cash operating cost per zinc equivalent payable pound sold for Q4/19 was \$0.61, representing a substantial decrease of 27% from \$0.83 in Q4/18 and a decrease of 13% from \$0.70 in Q3/19. As well the All-In Sustaining Cost ("AISC") for Q4/19 of \$1.05 per zinc equivalent payable pound sold, demonstrated a 18% decrease from Q4/18 of \$1.28 and an decrease of 7% over the previous quarter of \$1.13. The significant decrease achieved overall in unit costs on a ZnEq payable pound sold basis is a direct result of the increase in payable pounds sold given Q4/19 represented the Company's strongest operational quarter yet at El Mochito driven by a significant improvement to the grade profile. The Company adopted the AISC reporting metric as the Company believes it more fully defines the total costs associated with producing zinc and provides greater transparency for stakeholders when assessing operating performance, ability to generate free cash flow from operations and overall value. For details on how this figure is calculated, please refer to the Non-IFRS Performance Measures sections of this document.

Net income and basic and diluted earnings per share in Q4/19 were \$3.59 million and \$0.05 and \$0.04 respectively, compared to net loss and basic and diluted loss per share of \$3.02 million and \$0.04 in Q4/18, and \$5.21 million and \$0.07 respectively in Q3/19. Income from mining operations in Q4/19 was \$3.78 million.

Adjusted EBITDA for the fourth quarter resulted in income of \$5.51 million, compared to adjusted EBITDA loss of \$0.12 million in Q4/18, and income in Q3/19 of \$0.36 million.

Year Ended December 31, 2019

Contained metal production for the full year 2019 was 106.2 million pounds of ZnEq metal, in-line with the Company's production guidance. This was comprised of 64.4 million pounds of zinc, 27.1 million pounds of lead and 1.4 million ounces of silver. Overall production represents a 16% increase over 2018 contained metal production of 91.4 million pounds of ZnEq.

Milled production for 2019 of 775k tonnes demonstrated a marginal improvement over 756k tonnes milled in 2018.

For the year ended December 31, 2019, average recoveries were 85.2% zinc, 80.4% lead and 81.2% silver. Average head grades for the year were 4.4% zinc, 2.0% lead and 70 g/t silver resulting in a ZnEq grade of 7.4% representing a 14% increase over the 6.5% ZnEq grade achieved in 2018 due in large part to the substantial continuous improvement in silver grades resulting from the increased extraction of ore from the small high-grade pillars in the upper historical part of the mine.

Revenue for the full year 2019 was \$77.82 million, a decrease of 9% over revenue of \$85.62 million in 2018. This is due to the lower year over year average realized metal prices for both zinc and lead as

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

the average zinc price of \$1.15/lb was 12% lower than \$1.31 in 2018 and the average lead price of \$0.92/lb was 8% lower than the \$1.00 realized in 2018. NSR per tonne milled was \$95.73 in 2019, which was 16% lower than the \$113.60 achieved in 2018, due to significantly lower metal prices.

Costs on a per ZnEq pound basis for the year showed improvements as a result of higher grades mined during the year resulting in increased contained metal production. Cash operating cost per ZnEq payable pound sold was \$0.70, a decrease of 11% from \$0.79 per pound in 2018. The AISC on a consolidated basis for the year was \$1.21 per ZnEq payable pound sold, down 8%% from \$1.31 in 2018. For details on how this figure is calculated, please refer to the Non-IFRS Performance Measures sections of this document.

Direct operating costs per tonne milled for 2019 at El Mochito averaged \$83.62, a 6% increase from the average of \$78.98 in 2018. Heading into 2019, the Company worked to offset input cost pressures resulting from the previously disclosed 15% increase in national power rates imposed in September 2018 as well as the 6% increase in labour costs that took place in October 2018. However, with the increased portion of labour intensive conventional mining required to mine the higher grade chimney ore in the upper portion of the mine combined with lower capital expenditure on underground development for the year, resulting in a higher portion of fixed costs being allocated to operating costs, average direct operating costs for the year were high than anticipated. Capital expenditures totaled \$15.65 million, or \$20.17 per tonne milled in 2019, as compared to \$21.94 million, or \$29.02 per tonne milled, in 2018.

The net loss for 2019 was \$8.21 million, or a basic and diluted loss per share of \$0.11 per share, compared to net income of \$3.00 million or a basic and diluted earnings per share of \$0.04 for the full year 2018. Income from mining operations was \$5.59 million compared to \$11.46 million in 2018.

Adjusted EBITDA for 2019 totaled \$7.82 million, compared to a loss in 2018 of \$13.49 million. The cash balance exiting 2019 was \$1.68 million.

El Mochito Mine Expansion and Optimization

In February 2019, the Company announced the receipt of a \$35 million indicative term sheet from Overseas Private Investment Corporation ("OPIC"), now named the U.S. International Development Finance Corporation ("DFC"), for project loan financing for the expansion and optimization of the El Mochito mine. Throughout the year the Company also engaged in negotiations with additional international lenders for the project financing. Discussions with DFC have reaccelerated subsequent to the U.S. administration's resumption of aid to the Northern Triangle countries which include Honduras.

The Preliminary Economic Assessment ("PEA") for the expansion of the El Mochito mine announced in December 2018 and prepared in accordance with National Instrument 43-101 outlines a substantial Internal rate of return and a robust after-tax incremental project NPV with a rapid payback period of just under two years. The PEA further presents a robust and compelling opportunity for the Company to position El Mochito as a long-term profitable operation as this project presents a significant

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

opportunity to bring the AISC at El Mochito down substantially within two years after the commencement of construction. The PEA assumes a mine life of 10 years inclusive of Inferred Mineral Resources, notably excluding any additional Mineral Resources added from the 2018 exploration program.

Lagoa Salgada Project

In 2019, the Company continued with its efforts to grow and advance the Lagoa Salgada project located on the Iberian Pyrite Belt in Portugal. Following the successful Mineral Resource Estimate announced on February 13, 2019, the Company executed on its second exploration program at Lagoa Salgada, since acquisition of an interest in the project.

The 2019 exploration program included a diamond drill program consisting of 24 holes totaling 8,164 metres, a grounded Induced Polarization ("IP") survey covering the 8km gravity anomaly identified in the 2018 program and selected borehole IP. Drilling primarily focused on infill drilling in the North Zone to increase the confidence in the grade and tonnage, while four holes were allocated to test the strong IP chargeability anomaly in the Central and South Zones.

Drill hole highlights from the 2019 drill program include (true thickness):

Gossan

- **LS_MS_26**- 9.1m at 0.16% Cu, 9.79% Pb, 1.13% Zn, 2.54g/t Au, 37.64g/t Ag and 0.39% Sn (**16.52% ZnEq**)
- **LS_MS_30**- 13.4m at 0.06% Cu, 5.99% Pb, 0.33% Zn, 3.95g/t Au, 16.56g/t Ag and 0.61% Sn (**13.19% ZnEq**)

Massive Sulphide

- **LS_MS_33**- 24.9m at 0.42% Cu, 6.56% Pb, 5.76% Zn, 1.17g/t Au, 184.84g/t Ag and 0.23% Sn (**21.09% ZnEq**)
- **LS_MS_36**- 20.3m at 0.23% Cu, 6.14% Pb, 9.76% Zn, 1.42g/t Au, 104.65g/t Ag and 0.19% Sn (**22.61% ZnEq**)
- **LS_MS_35**- 37.6m at 0.25% Cu, 4.10% Pb, 6.87% Zn, 1.19g/t Au, 99.42g/t Ag and 0.17% Sn (**17.21% ZnEq**)
- **LS_MS_22**- 60.1m at 0.46% Cu, 2.91% Pb, 3.70% Zn, 0.77g/t Au, 81.04g/t Ag and 0.11% Sn (**11.62% ZnEq**)
- **LS_MS_25**- 19.6m at 0.21% Cu, 5.23% Pb, 5.76% Zn, 1.29g/t Au, 137.32g/t Ag and 0.23% Sn (**18.32% ZnEq**)
- **LS_MS_39**- 36.2m at 0.39% Cu, 6.26% Pb, 7.30% Zn, 1.37g/t Au, 165.63g/t Ag and 0.20% Sn (**21.90% ZnEq**)
- **LS_MS_38**- 35.2m at 0.19% Cu, 2.28% Pb, 4.01% Zn, 0.70g/t Au, 47.98g/t Ag and 0.13% Sn (**9.84% ZnEq**)

Stockwork

- **LS_ST_16**- 130.6m at 0.32% Cu, 0.82% Pb, 1.50% Zn, 0.04g/t Au, 12.89g/t Ag and 0.01% Sn (**1.33% CuEq**)
- **Including**- 26.7m at 0.58% Cu, 1.13% Pb, 2.66% Zn, 0.03g/t Au, 24.78g/t Ag and 0.01% Sn (**2.24% CuEq**)

Overall, the drill program at Lagoa Salgada was modest, yet identified significant high-grade mineralization, indicating the extension the North Zone in particular. This success led the company to complete an updated Mineral Resource Estimate for Lagoa Salgada, which the company announced on September 25, 2019.

The update Mineral Resource Estimate was prepared in accordance with Canadian National Instrument 43-101 with an effective date of September 5, 2019 and was successful in significantly

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

upgrading the resources at Lagoa Salgada. Results demonstrated material growth in the North Zone (the main massive sulphide) with the conversion of significant resources into the Measured & Indicated category. To date the North Zone has been delineated by less than a total of 76 holes.

Highlights from the Mineral Resource Estimate are as follows:

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

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

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

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

Lagoa Salgada Mineral Resource Estimate - Effective September 5, 2019

North Zone Mineral Resource Estimate																		
Deposit	Category	Min Zones	Cut-off Tonnes ZnEq%	Tonnes (kt)	Average Grade								Contained Metal					
					Cu	Zn	Pb	Sn	Ag	Au	ZnEq	AuEq	Cu	Zn	Pb	Sn	Ag	Au
					(%)	(%)	(%)	(%)	(g/t)	(g/t)	(%)	(g/t)	(kt)	(kt)	(kt)	(kt)	(koz)	(koz)
North	Measured(M)	GO	2.5	234	0.13	0.70	4.32	0.36	51	1.50	11.38	7.18	0.3	1.6	10.1	0.9	385.2	11.3
	Indicated(I)	GO	2.5	1,462	0.08	0.43	2.55	0.26	37	0.51	6.63	4.18	1.2	6.2	37.3	3.8	1,742.1	23.8
	M & I	GO	2.5	1,696	0.09	0.47	2.79	0.27	39	0.64	7.28	4.60	1.5	7.9	47.4	4.6	2,127.2	35.1
	Inferred	GO	2.5	831	0.08	0.48	2.62	0.17	27	0.37	5.66	3.57	0.7	4.0	21.8	1.4	727.6	9.9
	Measured(M)	MS	3.0	2,444	0.40	3.12	2.97	0.15	72	0.74	10.95	6.91	9.7	76.3	72.5	3.7	5,623.9	58.4
	Indicated(I)	MS	3.0	5,457	0.45	2.35	2.30	0.13	75	0.67	9.55	6.03	24.5	128.1	125.6	7.3	13,221.5	116.9
	M & I	MS	3.0	7,902	0.43	2.59	2.51	0.14	74	0.69	9.98	6.30	34.2	204.4	198.1	10.9	18,845.5	175.2

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

	Inferred	MS	3.0	1,529	0.23	1.96	1.32	0.09	45	0.49	6.36	4.01	3.6	30.0	20.2	1.4	2,219.7	24.0
	Measured(M)	Str	2.5	94	0.37	0.88	0.28	0.05	17	0.12	3.08	1.94	0.3	0.8	0.3	0.0	51.0	0.4
	Indicated(I)	Str	2.5	643	0.34	0.90	0.23	0.09	17	0.06	3.23	2.04	2.2	5.8	1.5	0.6	354.0	1.3
	M & I	Str	2.5	737	0.34	0.90	0.24	0.09	17	0.07	3.21	2.03	2.5	6.6	1.7	0.6	405.0	1.7
	Inferred	Str	2.5	142	0.24	1.12	0.39	0.04	17	0.09	2.95	1.86	0.3	1.6	0.6	0.1	75.6	0.4
North	M & I	All zones	2.9	10,334	0.37	2.12	2.39	0.16	64	0.64	9.06	5.72	38.2	219.0	247.2	16.2	21,377.7	212.0
North	Inferred	All zones	2.8	2,502	0.18	1.42	1.70	0.12	38	0.43	5.93	3.74	4.6	35.6	42.6	2.9	3,022.8	34.3

Central and South Zones Mineral Resource Estimate

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

Notes to tables:

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

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

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

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

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

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

Based on the significant results of the updated Mineral Resource Estimate, the Company completed a PEA for the Lagoa Salgada project based on the North Zone only. While the work was completed in 2019, the results of the PEA were announced subsequent to the year's end, on January 14, 2020.

The Technical Report entitled, "Technical Report and PEA for the Lagoa Salgada Property, Setúbal District, Portugal", supporting the robust results from the maiden Preliminary Economic Assessment

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

("PEA") for the North Zone at the Lagoa Salgada VMS project was prepared in accordance with Canadian National Instrument 43-101 ("NI 43-101") with an effective date of December 19, 2019.

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

Highlights from the PEA for the North Zone include:

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

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

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

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

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

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

Notes to Table:

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

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

The PEA is preliminary in nature, as it includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the preliminary economic assessment will be realized.

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

Other Corporate Highlights

On February 2019, the Company entered into an advance sales transaction pursuant to which, the Company received advanced consideration of \$4.0 million in exchange for future quarterly physical deliveries of zinc and lead concentrates from the Company's El Mochito mine production to the counterparty. The advanced consideration is accounted for as a financial liability to be repaid, as zinc and lead concentrates are delivered to the counterparty. The facility may be immediately renewable upon settlement of the quarterly delivery of zinc and lead concentrate. During the year, the Company repaid the \$4.0 million facility and increased the facility to \$10.0 million.

At December 31, 2019, the Company had drawn down a total \$28.5 million and repaid a total \$18.5 million under the revised revolving prepayment facility. As at December 31, 2019 the \$10.0 million balance bears interest at the rate of 3 Month LIBOR + 5.50% until repaid. Refer to Note 11 of the consolidated financial statements.

On March 28, 2019, the Company entered into the Silver Stream Arrangement with Maverix Metals Inc. ("Maverix") whereby the Company received an Initial Advance Payment of \$7.5 million against delivery of 22.5% of payable silver over the remainder of El Mochito's mine life (the "Silver Stream Agreement"). Refer to Note 12 of the consolidated financial statements.

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

KEY OPERATING INFORMATION AND FINANCIAL CONDITION

The following table is a summary of the Company's key production and operating statistics for the three months and years ended December 31, 2019 and 2018 at the El Mochito mine.

Key Operating Information		Three months ended December 31,		Year ended December 31,	
		2019	2018	2019	2018
Total Tonnes Mined	tonnes	191,579	187,533	794,690	758,067
Total Tonnes Milled	tonnes	186,987	184,913	775,559	756,034
Average Head Grades					
Average Zn grade	%	4.6%	4.2%	4.4%	4.3%
Average Pb grade	%	2.3%	1.9%	2.0%	1.7%
Average Silver grade	g/t	81	77	70	54
ZnEq Head grade	(1) %	8.5%	7.0%	7.4%	6.5%
Average Recoveries					
Zinc	%	86.0%	84.1%	85.2%	88.0%
Lead	%	79.9%	77.6%	80.4%	77.8%
Silver	%	81.1%	76.6%	81.2%	77.9%
Contained Metal Production					
Zinc	000's lbs	16,450	14,435	64,426	62,658
Lead	000's lbs	7,730	6,023	27,134	21,810
Silver	ozs	393,902	347,251	1,401,141	1,001,514
ZnEq	(1) 000's lbs	29,360	23,173	106,202	91,429
Payable Production					
Zinc	000's lbs	13,982	12,270	54,762	53,259
Lead	000's lbs	7,344	5,722	25,777	20,719
Silver	ozs	275,731	243,076	980,798	701,060
ZnEq	(1) 000's lbs	24,956	19,697	90,271	77,715
Payable Metal Sold					
Zinc	000's lbs	13,399	14,636	53,274	55,427
Lead	000's lbs	6,962	5,231	24,493	22,466
Silver	ozs	338,884	243,413	1,201,601	782,960
ZnEq	(1) 000's lbs	24,796	21,511	90,158	81,871
Average Realized Metal Price					
Zinc	\$/lb	\$1.08	\$1.18	\$1.15	\$1.31
Lead	\$/lb	\$0.95	\$0.89	\$0.92	\$1.00
Silver	\$/oz	\$17.36	\$14.51	\$16.20	\$15.34
Cash operating cost per ZnEq payable lb sold	(2) \$/ZnEq lb	\$0.61	\$0.83	\$0.70	\$0.79
AISC per ZnEq payable lb sold - El Mochito	(2) \$/ZnEq lb	\$1.00	\$1.22	\$1.14	\$1.23
AISC per ZnEq payable lb sold - Consolidated	(2) \$/ZnEq lb	\$1.05	\$1.28	\$1.21	\$1.31
Direct operating cost per tonne milled (excl. CAPEX)	(2) \$/tonne	\$85.63	\$85.38	\$83.62	\$78.98

(1) Assumes average spot metal prices for the period.

(2) This is a non-IFRS performance measure, see Non-IFRS Performance Measures

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

Financial		Three months ended December 31,		Year ended December 31,	
		2019	2018	2019	2018
Total revenue	\$000's	19,968	21,564	77,816	85,618
Mine operating expenses	\$000's	16,184	22,009	72,222	74,162
Income (loss) from mining operations	\$000's	3,784	(444)	5,594	11,456
Net income (loss)	\$000's	3,591	(3,020)	(8,209)	3,005
Adjusted EBITDA	(2) \$000's	5,511	(115)	7,822	13,492
Operating cash flow before movements in working capital	(2) \$000's	5,530	(122)	11,657	10,868
Operating cash flow	\$000's	300	(273)	7,731	16,276
Cash and cash equivalents	\$000's	1,684	3,808	1,684	3,808
Working capital surplus (deficiency)	\$000's	(17,054)	(7,109)	(17,054)	(7,109)
Capital Expenditures	\$000's	3,461	3,620	15,646	21,943

(1) Assumes average spot metal prices for the period.

(2) This is a non-IFRS performance measure, see Non-IFRS Performance Measures

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

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

Given the Company's revenue recognition policy and shipment schedule, the dry metric tonne ("DMT") concentrate produced in any given quarter may not be immediately reflected in its revenue. The timing difference between DMT concentrate produced and revenue recognized tends to decrease significantly when viewed on a yearly basis. In Q4/19, the Company produced 15,514 DMT of zinc concentrates and 5,363 DMT of lead concentrate and sold 14,187 DMT of zinc concentrate and 5,057 DMT of lead concentrate.

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

OUTLOOK

2019 was a strong operational year for Ascendant as the El Mochito mine ended the year demonstrating its 12th consecutive quarter of ZnEq metal production growth and achieved record quarterly head grades of 8.5% ZnEq since the Company's acquisition of the mine. The Company's financial performance was affected by the tumultuous metals market persisting throughout much of 2019, placing downward pressure on zinc prices particularly in the second half of the year. Also contributing were the high treatment and refining charges as well as costs pressures at the mine site.

Since the acquisition in December 2016, Ascendant has dedicated significant capital and resources to the operations at El Mochito. While the mine has seen continual growth and record production quarter over quarter, as demonstrated by fourth quarter and full year 2019 operating results, it did not meet the Company's profitability objectives and continued to require additional considerable financial investment. It is for this reason the Company made the strategic decision to divest of the El Mochito mine through a sale transaction as announced in the Company's press release dated April 17, 2020 and subsequently completed on April 27, 2020. The Company received a cash consideration of \$1.0 million and an additional \$0.1 million in working capital adjustments, as well as a royalty on zinc sales from the El Mochito mine subject to the future price of zinc, wherein Ascendant will receive US\$0.0125 per lb of zinc for all sales through December 31, 2029 when the price of zinc is in excess of US\$1.15 per lb. The sale effectively eliminated the Company's direct AMPAC expenses, liabilities and obligations, estimated at approximately \$20-25 million, providing for an immediate strengthening of the Company's financial position.

With the sale of El Mochito completed, Ascendant is now able to focus on its highly attractive, high-grade Lagoa Salgada VMS project located on the prolific Iberian Pyrite Belt in Portugal and devote the desired resources to a project that the Company believes will be a significant driver of growth and value. For 2020, the Company remains focused on mining high-grade material to maintain and drive elevated metal production levels achieved in the second half of 2019. The Company is assessing operations as the current market situation develops and will provide a more detailed update on 2020 expectations in the future.

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

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

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

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

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

SELECTED ANNUAL INFORMATION

The following table sets forth selected annual information extracted from the Company's audited Consolidated Financial Statements for the years and period noted:

		Year ended December 31, 2019	Year ended December 31, 2018	Year ended December 31, 2017
Revenue	000's \$	77,816	85,618	59,199
Mine operating expenses	000's \$	72,222	74,162	59,248
General and administrative expenses	000's \$	5,062	5,984	7,405
Other expense	000's \$	8,743	804	3,445
Income (loss) for the year	000's \$	(8,211)	3,005	(12,057)
Income (loss) per share - basic	\$/share	(0.11)	0.04	(0.18)
Income (loss) per share - diluted	\$/share	(0.11)	0.04	(0.18)
Total assets	000's \$	75,424	66,071	51,957
Non-current financial liabilities	000's \$	24,035	15,536	19,419
Cash dividends declared	000's \$	-	-	-

The Company recognized \$77.82 million in revenue and \$77.22 million in mine operating expenses as compared to \$85.62 million and \$74.16 million respectively in 2018. The decrease in revenue and increase in mine operating expenses resulting in net loss for the year of (\$8.21) million is mainly attributed to decreasing metal prices, and rising costs of production.

The net income of \$3.0 million for 2018 was mainly the result of 2018 being the first full year of normalized operations at El Mochito since the Company acquired the mine in December 2016. The net loss for 2017 of \$12.06 million was the result of high mining production costs incurred in the first half of fiscal 2017, as the Company focused on turning around the El Mochito mine, and higher general and administrative expenses. The loss of \$2.43 million in the short year ended December 31, 2016 is attributable to general and administrative expenses incurred of \$1.60 million, which included \$1.38 million in management consulting fees, and other expense items of \$0.82 million, which included \$0.38 million incurred in transaction costs in connection with the acquisition of AMPAC.

Total assets increased in 2019, 2018 and 2017 due primarily to acquisition of property, plant and equipment, including continued underground capitalized development at the El Mochito mine.

Non-current financial liabilities increased in 2019 due mainly to non-current portion of \$7.5 million silver stream since March 2019, and an increase in the provision for future termination payments, largely a result of the transfer of the remaining employees from a third-party contractor into AMPAC's payroll and severance plan. Non-current financial liabilities decreased in 2018 due mainly to a remeasurement of termination obligations by \$1.60 million, a reduction in environmental rehabilitation provision by \$2.79 million, and a gain on settlement of amounts payable to Nyrstar of \$1.45 million.

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

DISCUSSION OF OPERATIONS

The variation in the nature of the comparative periods must be considered in evaluating the financial information noted below.

Three months ended December 31, 2019 versus the three months ended December 31, 2018

Contained metal production was up 27% to 29.4 million (Q4/18 – 23.2 million) ZnEq lbs using average realized metal prices during the three months ended December 31, 2019 and 2018 respectively.

Revenue of \$19.97 million (Q4/18 - \$21.56 million) resulted from the sale of 13.4 million (Q4/18 – 14.6 million) pounds of zinc in concentrates, and 6.9 million (Q4/18 – 5.2 million) pounds of lead in concentrates. Average realized metal prices in USD were \$1.08 per pound zinc (Q4/18 – \$1.18), \$0.95 per pound zinc (Q4/18 - \$0.89) and \$17.36 per ounce silver (Q4/18 - \$14.51). During the quarter, the Company produced 24.9 million (Q4/18 – 19.7 million) zinc equivalent payable lbs and sold 24.8 million (Q4/18 - 21.5 million) zinc equivalent payable lbs.

Revenue from the sale of concentrate decreased by 7% during the fourth quarter, compared against the fourth quarter of 2019 due to a decline in average spot prices resulting in a provisional pricing adjustment on concentrate sales during the quarter.

Total mine operating expenses of \$16.18 million (Q4/18 - \$22.01 million) related to the sale of concentrate, resulted in direct operating costs for the quarter of \$85.63 per tonne milled (Q4/18 \$85.38). See Non-IFRS measures at the end of this MD&A.

While the Company's milled production during the three months ended December 31, 2019 was 1% higher (186,987 tonnes vs 184,913 tonnes), the ZnEq head grade increased 21% from 7.0% to 8.5%. The higher total operating costs partially offset by higher tonnes milled resulted in a 1% increased unit cost per tonne over the same period in the prior year.

During the three months ended December 31, 2019, the Company incurred general and administrative expenses of \$0.22 million (Q4/18 – \$1.18 million) before non-cash share-based compensation of \$0.02 million (Q4/18 - \$0.15 million). The overall decrease in general and administrative expenses is due primarily to a reduction in accrued bonuses, offset by an increase in consulting fees during the quarter which totals \$0.19 million (Q4/18 - \$0.01 million) related to financing activities.

During the three months ended December 31, 2019 the Company recorded loss from other items of \$0.86 million (Q4/18 – loss of \$0.30 million), primarily due to an increase in finance costs which totals \$0.81 million (Q4/18 - \$0.25 million), which includes finance costs on deferred revenue from silver stream of \$0.60 million (Q4/18 - \$Nil).

During the three months ended December 31, 2019, the Company reported net income of \$3.59 million, or \$0.05 basic and \$0.04 diluted earnings per share, compared to a net loss of \$3.02 million,

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

or \$0.04 basic and diluted loss per share in the comparative quarter in 2018. Income from mining operations was \$3.78 million during the fourth quarter of 2019 compared to net loss of \$0.44 million in the fourth quarter of 2018.

Also, current tax recovery of \$0.90 million was recorded in the fourth quarter of 2019 as compared to current tax expense of \$0.95 million in Q4/18.

Year ended December 31, 2019 versus the year ended December 31, 2018

Contained metal production for 2019 was 106.2 million ZnEq lbs compared to 91.4 million ZnEq lbs in 2018 using average realized metal prices during the years ended December 31, 2019 and 2018 respectively.

Revenues of \$77.82 million (2018 - \$85.62 million) resulted from the sale of 53.3 (2018 - 55.4) million pounds of zinc in concentrates, and 24.5 million (2018 - 22.5 million) pounds of lead in concentrates. Average realized metal prices were \$1.15 (2018 - \$1.31) per pound zinc, \$0.92 (2018 - \$1.00) per pound lead and \$16.20 (2018 - \$15.34) per ounce silver. During the year ended December 31, 2019, the Company produced 90.3 million (2018 - 77.7 million) zinc equivalent payable lbs and sold 90.2 million (2018 - 81.9 million) zinc equivalent payable lbs.

Revenue from the sale of concentrate decreased by 9% during the year ended December 31, 2019, compared against the year ended December 31, 2018.

Total mine operating expenses of \$72.22 million (2018 - \$74.16 million) related to the sale of concentrate. Costs consisted of direct site production costs of \$40.34 million (2018 - \$38.33 million) related to mining, processing costs of \$13.14 million (2018 - \$12.13 million), selling, general and administration of \$11.09 million (2018 - \$9.97) million, and government taxes and royalty expense were \$2.01 million (2018 - \$4.38) million. The Company also recorded \$7.20 million (2018 - \$4.71) million of depreciation and amortization. The Company's direct operating cost for year ended December 31, 2019 was \$83.62 (2018 - \$78.98) per tonne milled (see Non-IFRS measures at the end of this MD&A).

The Company's production during the year ended December 31, 2019, increased over the same period in the prior year largely due to the productivity improvements as disclosed above. Although cash operating costs in 2019 were lower than the previous year as a result of higher grades mined, operating costs per tonne were higher than anticipated due to the increased portion of labour intensive conventional mining, combined with lower capital expenditure on underground development for the year. In 2020, the Company plans to further improve on milled volumes at higher grades which will further reduce unit costs.

During the year ended December 31, 2019, the Company incurred general and administrative expenses of \$4.74 million (2018 - \$4.96 million) before non-cash share-based compensation of \$0.32 million (2018 - \$1.02 million). The overall decrease in general and administrative expenses is due primarily to a reduction in accrued bonuses, offset by an increase in consulting and professional fees,

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

which totals \$0.97 million (2018 - 0.14 million), and \$0.69 million (2018 - \$0.55 million) respectively related to financing activities. There was also a decrease in share-based compensation which totals \$0.32 million (2018 - \$1.02 million) as a result of the timing of RSU vesting terms.

During the year ended December 31, 2019 the Company recorded loss from other items of \$8.74 million, compared to loss from other items of \$0.80 million in 2018, primarily due to an increase in charge on termination obligations which totals \$2.84 million (2018 - \$2.34 million) that includes an assumed liability expense of \$1.27 million to reflect the transfer of employees from a third-party contractor into AMPAC's payroll and severance plan, and also \$2.64 million in advances to the Lagoa Salgada Project (2018 - \$2.25 million).

During the year ended December 31, 2019 the Company reported net loss of (\$8.21 million), or \$0.11 basic and diluted loss per share, compared to a net income of \$3.00 million, or \$0.04 basic and diluted earnings per share in the comparative period in 2018. Income from mining operations was \$5.59 million during the year ended December 31, 2019, compared to income from mining operations of \$11.46 million in 2018.

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

CASH FLOWS

Operating Activities

During the three months ended December 31, 2019, cash from operating activities totalled \$0.30 million (Q4/2018 - cash used in operating activities of \$0.27 million). Cash from operating activities before changes in working capital was \$5.53 million (Q4/2018 - cash used of \$0.12 million).

During the year ended December 31, 2019, cash from operating activities was \$7.73 million (2018 - cash from operating activities of \$16.28 million) due primarily to \$7.5 million (2018 - \$Nil) from the silver stream advance. Cash from operating activities before changes in working capital was \$11.66 million (2018 - \$10.87 million).

Investing Activities

During the three months ended December 31, 2019, cash used in investing activities was \$4.57 million (Q4/18 - \$5.52 million).

During the year ended December 31, 2019, cash used in investing activities was \$19.04 million (2018 - \$25.02 million). The decrease in cash flow used in investing activities is mainly the result of lower capital expenditures of \$15.65 million (2018 - \$21.74 million), offset by a small increase in net investment in Redcorp's Lagoa Salgada Project of \$3.39 million (2018 - \$3.28 million).

Financing Activities

During the three months ended December 31, 2019, cash provided by financing activities was \$2.14 million (Q4/18 - \$2.31) million due mainly from proceeds of revolving credit and prepayment facilities of \$12.32 million (Q4/18 - \$3.35) million offset by repayments of \$10.03 million (Q4/18 - \$1.07) million during the quarter. The Company also used \$0.16 million (Q4/18 - \$0.05 million) in lease payments.

During the year ended December 31, 2019, cash provided by financing activities was \$9.25 million (2018 - \$4.62 million). The increase in cash flow provided by financing activities year over year is mainly the result of proceeds received from revolving credit and prepayment facilities of \$36.07 million (2018 - \$5.85 million), offset by repayments of \$26.53 million (2018 - \$1.07 million). Finally, the Company generated cash proceeds of \$0.12 million (2018 - \$0.15 million) from exercise of warrants.

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

SUMMARY OF QUARTERLY RESULTS

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

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

U.S. Dollar/Cdn Dollar exchange rate	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018
Closing rate at the reporting date	1.2988	1.3243	1.3087	1.3363	1.3642	1.2945	1.3168	1.2894
Average for the period	1.3200	1.3292	1.3336	1.3295	1.3204	1.3070	1.2911	1.2647

		Three months ended			
		December 31, 2019	September 31, 2019	June 30, 2019	March 31, 2019
Total assets	\$000's	75,424	75,661	73,299	79,772
Total revenue	\$000's	19,968	22,032	18,033	17,784
Working capital surplus (deficiency)	\$000's	(17,078)	(17,352)	(11,813)	(5,023)
Income (loss) before other expense (income)	\$000's	3,543	(1,592)	(1,233)	(184)
Net income (loss) for the period	\$000's	3,591	(5,214)	(4,177)	(2,410)
Basic earnings (loss) per share	\$/share	0.05	(0.07)	(0.05)	(0.03)
Diluted earnings (loss) per share	\$/share	0.04	(0.07)	(0.05)	(0.03)

		Three months ended			
		December 31, 2018	September 31, 2018	June 30, 2018	March 31, 2018
Total assets	\$000's	66,071	67,012	64,599	57,999
Total revenue	\$000's	21,564	13,359	22,657	28,038
Working capital surplus (deficiency)	\$000's	(7,110)	757	8,961	13,658
Income (loss) before other expense (income)	\$000's	(1,774)	(2,889)	3,435	6,696
Net (loss) income for the period	\$000's	(3,020)	(3,853)	4,582	5,294
Basic earnings (loss) per share	\$/share	(0.04)	(0.05)	0.06	0.07
Diluted earnings (loss) per share	\$/share	(0.04)	(0.05)	0.06	0.07

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

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

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

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

Net losses since the fourth quarter of 2018 throughout fiscal 2019 is mainly the result of lower revenues due to lower zinc and lead prices.

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

FINANCIAL RISK MANAGEMENT

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its risk management objectives. The main objective of the Company's risk management process is to ensure that the risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed to are described below. There have been no changes in the risks, objectives, policies and procedures during the years ended December 31, 2019 and 2018.

Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

At December 31, 2019, the Company had a cash balance of \$1,684 (December 31, 2018 - \$3,808), to settle current liabilities of \$35,469 (December 31, 2018 - \$26,911). The Company has working capital deficit of \$17,054 at December 31, 2019 (December 31, 2018 - working capital deficit of \$7,109).

Foreign Currency Risk

The Company is exposed to foreign currency risk to the extent expenditures incurred or funds received, and balances maintained by the Company are denominated in currencies other than the functional currency of the entity party to the transaction. The Company had net monetary liabilities totalling \$6,800 (2018 - \$8,900) denominated in Honduran Lempiras, and \$500 (2018 - \$1,000) denominated in Euro as of December 31, 2019. The Company's sensitivity analysis suggests that a change in the absolute rate of exchange in the Honduran Lempira by 1% would increase or decrease net loss by \$68 (2018 - \$89) and in the Euro by 1% would increase or decrease net loss by \$5 (2018 - \$10) for the year ended December 31, 2019. The Company's objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows by obtaining most of its estimated annual U.S. cash requirements and holding the remaining currency in Canadian dollars. The Company has not, to the date of these consolidated financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices arising from changes to the market prices for zinc, lead and silver between the time of the provisional invoicing of concentrates to the time of final price settlement. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company's future operations will be significantly affected by changes in the market prices of these commodities. Prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand, the level of interest rates, the rate of inflation, and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors may in turn be influenced by changes in international investment patterns and monetary systems and political developments. Management estimates that as of December 31, 2019 a 5% decrease in the market prices for zinc, lead and silver

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

would reduce the provisionally priced mark-to-market revenues and related accounts receivable by \$2,666 (2018 - \$1,909).

Interest Rate Risk

The Company has cash balances and interest-bearing debt as described in Notes 10 and 11 of the consolidated financial statements. The Company has no short-term investments as at December 31, 2019 and is not subject to any significant impact on the cash balance as a result of changes in interest rates.

Credit Risk

The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentrating with respect to cash and amounts receivable is remote.

LIQUIDITY AND CAPITAL RESOURCES

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

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

In April 2020, Ascendant entered into a share purchase agreement with Kirungu Corporation ("Kirungu"), to sell all of the issued and outstanding shares of AMPAC and its El Mochito mine (see note 29). The sale was completed by April 27, 2020. Ascendant remains focused on its high-grade Lagoa Salgada VMS project in the Iberian Pyrite Belt in Portugal. The Company is also engaged in the evaluation of producing and advanced development stage mineral resource opportunities, on an ongoing basis.

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

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

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

The Company has not entered into any significant long-term lease commitments other than those outlined under Note 13 in the Company's Consolidated Financial Statements for the year ended December 31, 2019.

Contractual Obligations and Commitments

The Company has the following constructive obligations and capital commitments as at December 31, 2019:

		Payments due by period			Total
		<1 years	1-5 years	5> years	
Operating commitments (i)	\$	1,635	409	-	2,044
Leases (i)	\$	363	463	-	826
Credit facility payments (i)	\$	4,314	-	-	4,314
Revolving prepayment facility (i)	\$	10,000	-	-	10,000
Environmental rehabilitation provision (i)	\$	-	-	9,830	9,830
	\$	16,312	872	9,830	27,014

(i) Reported on an undiscounted basis

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company defines capital as total equity plus debt. Total equity is comprised of issued capital stock, warrants, share-based payments reserve and accumulated deficit. Total debt is comprised of credit and revolving prepayment facilities. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is dependent on external financing to fund its mineral exploration and evaluation activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2019 and 2018.

	December 31, 2019	December 31, 2018
Equity	15,920	23,624
Debt	14,314	4,775
	30,234	28,399

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

FINANCIAL INSTRUMENTS HIERARCHY AND FAIR VALUES

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

		December 31, 2019		December 31, 2018	
Recurring measurements		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets					
Amortised cost					
Cash	(i)	1,684	1,684	\$ 3,808	\$ 3,808
Trade and other receivables	(i)(ii)	3,601	3,601	4,031	4,031
Due from related parties		895	895	833	833
Fair value through profit or loss					
Non-hedge derivative assets	(iii)	-	-	137	137
Total financial assets		6,180	6,180	8,809	8,809
Financial liabilities					
Amortised cost					
Trade and other payables	(i)(ii)	18,122	18,122	19,374	19,374
Credit facility	(iv)	4,314	4,314	4,775	4,775
Revolving prepayment facility	(iv)	10,000	10,000	-	-
Total financial liabilities		32,436	32,436	24,149	24,149
Net financial asset (liability)		\$ (26,256)	\$ (26,256)	\$ (15,340)	\$ (15,340)

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

Fair value hierarchy

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

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

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

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

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

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

- a) The fair values for cash, trade and other receivables, due from related parties, trade and other payables, finance leases and revolving credit facility, approximate carrying values due to the immediate or short-term maturities of these financial instruments and are classified as Level 1 in accordance with their fair value hierarchy.
- b) For the non-derivative hedge assets and liabilities, the fair value is determined by reference to the quoted prices for the underlying commodity and is classified as Level 1 on the fair value hierarchy.

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

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

DISCLOSURE OF OUTSTANDING SHARE DATA

Ascendant is authorized to issue an unlimited number of common shares and preferred shares. A detailed description of the rights, privileges, restrictions and conditions attached to each class of authorized shares are included in our Annual Information Form for the year ended December 31, 2018, a copy of which can be found on SEDAR at www.sedar.com.

As of May 5, 2020, the number of common shares outstanding or issuable pursuant to other outstanding securities is as follows:

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

- (i) There were 3,555,001 shares issued on January 24, 2020 pursuant to redemption of 3,555,0001 vested RSUs.
- (ii) There were 407,000 stock options under our share plan outstanding to directors, officers, employees and others with an exercise price of Cdn\$0.25 and expiring between June 15, 2020 to October 27, 2020.
- (iii) There were 11,787,500 common share purchase warrants outstanding with an exercise price of Cdn\$1.25 and expiring on March 7, 2022.

Ascendant has not issued any preferred shares.

FINANCIAL CONDITION

As at December 31, 2019, the Company's cash balance was \$1.68 million. Total current assets were \$18.42 million and total current liabilities were \$35.47 million for negative working capital of \$17.05 million.

OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS AND BALANCES

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

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

(a) Compensation of key management personnel

	Year ended	
	December 31, 2019	December 31, 2018
Management compensation	\$ 1,380	\$ 2,202
Directors' fees	139	189
Share-based payments	316	905
	\$ 1,835	\$ 3,296

(b) Due from related parties

During the years ended December 31, 2018 and 2017, the Company granted loans of \$432 (2017 - \$431) to certain directors and officers of the Company to cover the tax liability in respect of the vested RSUs. These loans bear interest at the Canada Revenue Agency's ("CRA") quarterly prescribed interest rate used to calculate employee and shareholder loans calculated annually and payable on the earlier of: (i) demand by the Company, (ii) sale by the directors and officers of the common shares underlying the vested RSUs, and (iii) April 18, 2022 and August 24, 2023 for the April 2017 RSU recipients, and November 22, 2022 for the November 2017 RSU recipients.

As at December 31, 2019, amounts due from related parties including the balance related to these loans and accrued interest is \$895 (2018 - \$833).

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

NON-IFRS PERFORMANCE MEASURES

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

Non-IFRS reconciliation of adjusted EBITDA

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

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

Adjusted EBITDA		Three months ended December 31,		Year ended December 31,	
		2019	2018	2019	2018
Net income (loss)	\$000's	3,591	(3,020)	(8,211)	3,005
<i>Adjusted for:</i>					
Advances to joint venture	\$000's	613	2,248	2,639	2,248
Gain on remeasurement of environmental obligation	\$000's	-	(2,788)	-	(2,788)
Depletion and depreciation	\$000's	2,020	1,454	7,313	4,724
Finance expenses	\$000's	812	249	2,669	1,022
Accretion expense on rehabilitation liabilities	\$000's	80	(333)	284	310
Charge on termination obligations	\$000's	(651)	1,089	2,842	2,335
Share-based payments	\$000's	24	152	318	1,022
Foreign currency exchange gain/loss	\$000's	(74)	(113)	(32)	(49)
Income taxes	\$000's	(904)	947	-	1,663
Adjusted EBITDA	\$000's	5,511	(115)	7,822	13,492

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

Direct operating cost per tonne milled

The Company uses the non-IFRS measure of direct operating cost per tonne milled to manage and evaluate operating performance. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flows. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The Company considers mine production expenses per tonne milled to be the most comparable IFRS measure to direct operating cost per tonne milled and has included calculations of this metric in the reconciliations within the applicable tables to follow.

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

Cash operating costs

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

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

Net smelter return (NSR)

The net smelter return (NSR) refers to the revenues expected from the mill feed, taking into consideration mill recoveries, transport costs of the concentrate to the smelter, treatment and refining charges, other deductions at the smelter, and finished inventory adjustments.

All-in Sustaining Costs

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

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

The following table provides a reconciliation of direct operating costs, net smelter return, capital expenditures, and All-in Sustaining Costs to mine production expenses, as reported in the Company's consolidated statement of income (loss) for the years ended December 31, 2019 and 2018:

Direct operating cost per tonne milled		Three months ended December 31,		Year ended December 31,	
		2019	2018	2019	2018
Mine operating expenses (from consolidated income statement)	\$000's	16,184	22,009	72,222	74,162
Add: Termination Liability Payments	\$000's	67	257	289	933
Add (deduct): Supplies Inventory Obsolescence Adjustment	\$000's	-	(266)	-	(266)
Add (deduct): Supplies Inventory Adjustment	\$000's	-	(1,391)	-	(1,391)
Deduct (Add): Variation in Finished Inventory	\$000's	784	(2,129)	1,559	(4,641)
Deduct: Depreciation in production	\$000's	(1,993)	(1,452)	(7,204)	(4,712)
Total cash costs (including royalties)	\$000's	15,042	17,028	66,866	64,085
Deduct: Government taxes and royalties	\$000's	970	(1,240)	(2,011)	(4,375)
Direct operating costs	\$000's	16,012	15,788	64,855	59,710
Tonnes Milled	tonnes	186,987	184,913	775,559	756,034
Direct operating cost per tonne milled	\$/tonne	\$85.63	\$85.38	\$83.62	\$78.98

NSR & Capex per tonne milled		Three months ended December 31,		Year ended December 31,	
		2019	2018	2019	2018
Tonnes Milled	tonnes	186,987	184,913	775,559	756,034
Net smelter return reconciliation					
Revenue (from consolidated income statement)	\$	19,968	21,564	77,816	85,618
Add (deduct): Variation in Finished Inventory	\$	(784)	2,129	(1,559)	4,641
Deduct: Government taxes and royalties	\$	970	(1,240)	(2,011)	(4,375)
Net smelter return	\$	20,154	22,453	74,246	85,884
Net smelter return per tonne milled	\$/tonne	\$107.78	\$121.42	\$95.73	\$113.60
Capital Expenditures	\$	3,461	3,620	15,646	21,943
Capex per tonne milled	\$/tonne	\$18.51	\$19.58	\$20.17	\$29.02

AISC per ZnEq payable pound sold		Three months ended December 31,		Year ended December 31,	
		2019	2018	2019	2018
ZnEq payable pounds sold	000's lbs	24,796	21,511	90,158	81,871
Cash Operating Costs Reconciliation					
Direct operating costs	\$000's	16,012	15,788	64,855	59,710
Add (deduct): Variation in Finished Inventory	\$000's	(784)	2,129	(1,559)	4,641
Cash operating costs	\$000's	15,228	17,917	63,296	64,351
Cash operating cost per ZnEq payable pound sold	\$/ZnEq lb	\$0.61	\$0.83	\$0.70	\$0.79
All-in Sustaining Costs (AISC) Reconciliation					
Total cash operating costs	\$000's	15,228	17,917	63,296	64,351
Add: Government taxes and royalties	\$000's	(970)	1,240	2,011	4,375
Add: Adjustment to government taxes and royalties	(1) \$000's	1,685	-	1,685	-
Add: TC & RCs	\$000's	5,399	3,996	20,174	14,474
Add: G&A, excluding depreciation and amortization	\$000's	214	1,328	4,953	5,974
Add: Accretion expense on rehabilitation liabilities	\$000's	80	(333)	284	310
Add: Sustaining capital expenditure	\$000's	3,372	3,437	15,325	17,555
Total All-in sustaining costs - Consolidated	\$000's	25,008	27,585	107,728	107,039
Deduct: G&A, excluding depreciation and amortization	\$000's	(214)	(1,328)	(4,953)	(5,974)
Total All-in sustaining costs - El Mochito	\$000's	24,794	26,257	102,775	101,065
AISC per ZnEq payable pound sold - Consolidated	\$/ZnEq lb	\$1.01	\$1.28	\$1.19	\$1.31
AISC per ZnEq payable pound sold - El Mochito	\$/ZnEq lb	\$1.00	\$1.22	\$1.14	\$1.23

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

(1) Adjustment to government taxes and royalties relates to a new tax amnesty program published on February 24, 2020 in the Government of Honduras Official Gazette, Decree 168-2019, whereby taxpayers are released from the payment of mining royalties until November 30, 2019. As a result, the Company reversed \$1.69 million in accrued mining royalties during the fourth quarter of 2019.

Additional Non-IFRS measures

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

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

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

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

USE OF ACCOUNTING ESTIMATES AND JUDGEMENTS

Refer to Note 2 of the consolidated financial statements of the Company.

Internal Controls over Financial Reporting (ICFR)

The CEO and the CFO, with the assistance of management, conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as at December 31, 2019. Based on the evaluation, the CEO and the CFO have concluded that as at December 31, 2019, the Company's internal control over financial reporting is effective, based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) on Internal Control — Integrated Framework (2013).

The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, within the Company have been detected. Therefore, no matter how well-designed, ICFR has limitations and can provide only reasonable assurance with respect to financial statement preparation and may not prevent and detect all misstatements.

As of the end of the period covered by this MD&A and accompanying Financial Statements, Ascendant's management evaluated the effectiveness of its disclosure controls. Based on that evaluation, the CEO and the CFO have concluded that Ascendant's disclosure controls and procedures and internal controls over financial reporting, provide reasonable assurance that they were effective.

There have been no changes in our internal control over financial reporting during the period ended December 31, 2019 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

RISKS AND UNCERTAINTIES

The Company's business contains significant risk due to the nature of mining, exploration, and development activities. For additional discussion of these and other risk factors, please refer to the Company's Annual Information Form for the year ended December 31, 2018, which can be found under the Company's profile at www.sedar.com.

Unfavourable global economic conditions

The Company's results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. A severe or prolonged economic downturn could result in a variety of risks to our business, including our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy could strain our suppliers, possibly resulting in supply disruption, or cause delays in payments for our services by third-party payors. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current our future economic climate and financial market conditions could adversely impact our business. For example, in December 2019, a novel strain of COVID-19 has been reported in many countries around

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

the globe. The extent to which the COVID-19 impacts our results will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning the severity of the COVID-19 and the actions required to contain the COVID-19 or remedy its impact, among others.

Limited Operating History

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

Dependence on El Mochito mine for the Company's Operating Revenue and Cash Flow

Substantially all of the Company's operations are carried out through, and substantially all of the Company's operating revenue and cash flow are generated by, AMPAC a Honduran company and a wholly owned subsidiary of the Company. Accordingly, the Company is dependent on the cash flows from AMPAC to meet its obligations. However historic and current performance of the AMPAC business may not be indicative of success in future periods, and there is no assurance as to future performance of AMPAC. The future performance of the AMPAC business and the ability of AMPAC to provide the Company with payments may be constrained by factors such as, among others: the operation of the Offtake Agreements; economic downturns; technological and regulatory changes; the cash flows generated by operations, investment activities and financing activities; and the level of taxation, particularly corporate profits and withholding taxes. If the Company is unable to receive sufficient cash from AMPAC, the Company may be required to incur indebtedness, raise funds in a public or private equity or debt offering, or sell some or all of its assets. There can be no assurance that any such financing will be available on satisfactory terms or that it will be sufficient. The Company may be subject to limitations on the repatriation of earnings in Honduras. In particular, there may be significant withholding taxes applicable to the repatriation of funds from Honduras to Canada. There can be no assurance that changes in regulations, including tax treaties, in and among the relevant countries where the Company does business will not take place, and if such changes occur, they may adversely impact the Company's ability to receive sufficient cash payments from its subsidiaries.

Dependence on Nyrstar for Revenue

Substantially all of the Company's revenue is derived from sales of its concentrate products pursuant to the Offtake Agreements with Nyrstar. Bulk sales of concentrate pursuant to the Offtake Agreements are highly periodic.

Exploration, Development and Production Risks

Mining and mineral operations involve many risks that even a combination of experience and knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Company will depend on its ability to find, acquire, develop and commercially produce mineral deposits. Without the continual addition of new resources, any existing resources the Company may have at any particular time and the production therefrom will decline over time as such existing resources are exploited. A future increase in the Company's resources will depend not only on its ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that the

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

Company will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that further commercial quantities of resources will be discovered or acquired by the Company.

Mining and Processing

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

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

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

AMPAC's processing facilities are dependent on continuous mine feed to remain in operation. Should the El Mochito mine not maintain material stockpiles of ore or material in process, any significant disruption in either mine feed or processing throughput, whether due to equipment failures, adverse weather conditions, power supply interruptions, export or import restrictions, labour force disruptions or other causes, may have an immediate adverse effect on the results from the operations of the Company. A significant reduction in mine feed or processing throughput could cause the direct operating cost of production to increase to a point where the Company may determine that it is no longer economical to exploit some or all of its mineral reserves.

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

Although AMPAC utilizes the operating history of its existing mine complex to derive estimates of future operating costs and capital requirements, such estimates may differ materially from actual operating results at new deposits or expansion of existing deposits. The economic feasibility analysis with respect to any individual project is based upon, among other things: the interpretation of geological data obtained from drill holes and other sampling techniques; internal feasibility analysis (which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed); base and precious metals price assumptions; the configuration of the ore body; expected recovery rates of metals from the ore; comparable facility and equipment costs; anticipated climatic conditions; and estimates of labour, productivity, royalty, tax rates, or other ownership burdens and other factors.

The Company expects to periodically review mining schedules, production levels and asset lives in its life-of-mine planning. Significant changes in the life-of-mine plans can occur as a result of mining experience, new ore discoveries, changes in mining methods and rates, process changes, investment in new equipment and technology, base and precious metals price assumptions, and other factors.

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

Competition

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

Regulatory

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

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

Environmental

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

Reclamation and Mine Closure Costs

Closing a mine can have a significant impact on local communities and site remediation activities may not be supported by local stakeholders. AMPAC reviews and updates closure plans regularly with external stakeholders over the life of the mine and considering where post-mining land use for mining affected areas has potential benefits to the communities.

In addition to the immediate closure activities, including ground stabilization, infrastructure demolition and removal, top soil replacement, re-grading and re-vegetation, closed mining operations require long-term surveillance and monitoring.

Site closure plans have been developed and amounts accrued in AMPAC's financial statements to provide for mine closure obligations. Future remediation costs for inactive mines are estimated at the end of each period, including ongoing care, maintenance and monitoring costs. Changes in estimates at inactive mines are reflected in earnings in the period an estimate is revised. Actual costs realized in satisfaction of mine closure obligations may vary materially from management's estimates. Changes in environmental laws can create uncertainty with regards to future reclamation costs and affect the requirements.

Market Conditions

In the last decade, market events and conditions, including the disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, have caused significant volatility in commodity prices. These conditions also caused a loss of confidence in the broader US and global credit and financial markets and resulted in the collapse of, and government intervention in, major banks, financial institutions and insurers and created a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. More recently, there has been mounting government debt in many western nations, significant volatility and depression in the price of oil and numerous environmental disasters globally. These events are illustrative of the effect that events beyond the Company's control may have on commodity prices, demand for metals such as zinc, lead and silver, availability of credit, investor confidence and general financial market liquidity, all of which may affect the Company's business. Any or all of these economic factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, resulting in impairment losses. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Common Shares may be adversely affected.

The Company is also exposed to liquidity and various counterparty risks including, but not limited to, through: (i) financial institutions that hold the Company's or AMPAC's cash; (ii) companies that have payables to AMPAC or the Company; (iii) the Company's or AMPAC's insurance providers; (iv) future lenders to the Company or AMPAC; and (v) companies that have received deposits from AMPAC for the future delivery of equipment. AMPAC is also exposed to liquidity risks in meeting its capital expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable.

Issuance of Debt

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

Impairment of PP&E assets

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

Resource Estimates

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

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

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

Insurance and Uninsured Risks

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

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

Reliance on Key Personnel

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

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

Labour and Employment Matters

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

Operations in Foreign Jurisdiction and Emerging Market

Substantially all of the Company's operations are located in Honduras. Like many emerging markets, Honduras is a developing country that at times may face challenges in terms of natural resource development governance, physical and institutional infrastructure, governmental and regulatory bureaucracy and delays associated therewith. Additionally, the Company's AMPAC operations may at various times be exposed to political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties include, but are not limited to:

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

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

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's operations and profitability. There can be no assurance that companies and/or industries which are deemed of national or strategic importance in Honduras, including mineral exploration, production and development, will not be nationalized. There is a risk that further government limitations, restrictions or requirements, not presently foreseen, may be implemented. Changes in policy that alter laws regulating the mining industry could have a material adverse effect on the Company.

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

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

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

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

Title Matters

The Company obtained, as a condition of closing for the El Mochito Acquisition, a favourable legal report as to the quality of AMPAC's title to the property and assets comprising the El Mochito mine, however, should AMPAC's titles not be honoured or become unenforceable for any reason, the Company's business, financial condition and prospects will be materially adversely affected. While the Company has diligently investigated AMPAC's title to, rights over and interests in and relating to its mining assets and mineral properties, this should not be construed as a guarantee of AMPAC's title to its mining assets and/or the area covered by such mining rights. AMPAC's mineral property interests may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. There can be no guarantee that title to some of AMPAC's properties will not be challenged or impugned. Additionally, the land upon which AMPAC holds mineral exploitation rights may not have been surveyed; therefore, the precise area and location of such interests may be subject to challenge.

Changes in Legislation

The return on an investment in securities of the Company is subject to changes in Canadian, Honduras and Portuguese federal and provincial tax laws and government incentive programs and there can be

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

no assurance that such laws or programs will not be changed in a manner that adversely affects the Company or the holding and disposing of the securities of the Company.

Assessments of Value of Acquisitions

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

Income Taxes

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

Dilution

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

Third Party Credit Risk

The Company is or may be exposed to third party credit risk through its contractual arrangements with future joint venture partners, and other parties. In the event such entities fail to meet their contractual obligations to the Company, such failures could have a material adverse effect on the Company and its cash flow from operations.

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

Additional Information

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

CORPORATE STRUCTURE

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

TECHNICAL INFORMATION

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

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

CAUTIONARY NOTES TO US INVESTORS

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

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

FORWARD LOOKING INFORMATION

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

Forward-looking information in this MD&A includes, but is not limited to, statements regarding the consistency of processing recovery levels, improvements of grades in 2019, deployment of new mining equipment, increase in contained metal production, maintenance of production rates, increase of mill feed

ASCENDANT RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2019 and 2018

(Expressed in US dollars, except otherwise noted)

grades, reduction of costs, monthly shipments of concentrate, the ability to fully fund planned development, exploration and capital expenditures, robust adjusted EBITDA, expectation of expanding the known Mineral Resources at Lagoa Salgada, the Company's guidance, and free cash flow generation in 2019 and the undertaking of various long-term optimization programs. Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by Ascendant at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results and events to be materially different from those expressed or implied by the forward-looking information. The material factors or assumptions that Ascendant identified and were applied by Ascendant in drawing conclusions or making forecasts or projections set out in the forward-looking information include, but are not limited to, the ability of the Company to maintain the consistency of processing recovery levels, to improve grades in 2019, to deploy new mining equipment, increase contained metal production, maintain production rates, increase mill feed grades, reduce costs, make monthly shipments of concentrate, fully fund planned development, exploration and capital expenditures, maintain robust adjusted EBITDA and free cash flow in 2019, the ability to expand known Mineral Resources at Lagoa Salgada, the ability to achieve guidance and undertake various long-term optimization programs and other events that may affect Ascendant's ability to develop its project; and no significant and continuing adverse changes in general economic conditions or conditions in the financial markets.

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

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