TITAN MINING CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2019

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Titan Mining Corporation ("Titan", "we", "our" or the "Company"), our operations, financial performance, and current and future business environment. This MD&A is intended to supplement and complement our unaudited condensed interim consolidated financial statements for the three months ended March 31, 2019, prepared in accordance with IAS 34 *Interim Financial* Reporting of International Financial Reporting Standards ("IFRS").

Readers should be aware that: this MD&A contains "forward-looking statements" and "forward-looking information" (collectively, "forward-looking information") that are subject to risk factors set out in a cautionary note contained in our MD&A; and the technical and scientific information in this MD&A has been approved by a qualified person based on a variety of assumptions and estimates. For a discussion on each of these matters, refer to the "Notes to Reader" section of this MD&A.

Additional information regarding Titan, including the risks related to our business and those that are reasonably likely to affect our financial statements in the future, is contained in our continuous disclosure materials, including our most recent Annual Information Form ("AIF"), consolidated financial statements and Management Information Circular, which are available on the Company's website at www.titanminingcorp.com and under the Company's profile on the SEDAR website at www.sedar.com.

This MD&A is prepared as of May 14, 2019. All dollar amounts reported herein are in US dollars unless otherwise indicated.

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(In thousands of US Dollars, unless otherwise indicated)

OUR BUSINESS

Titan Mining Corporation is a natural resource company engaged in the acquisition, exploration, development and production of mineral properties. Our corporate office is in Vancouver, British Columbia, and our shares are listed on the Toronto Stock Exchange and trade under the symbol "TI".

The Company's principal asset is a group of 100%-owned, high-grade zinc mines, the Empire State Mine ("ESM"), located in the Balmat–Edwards mining district in northern New York State, near Gouverneur and 35 miles south of the Port of Ogdensburg. These past-producing operations (the Empire State Mine's #2, #3, #4, Hyatt, Pierrepont and Edwards mines) were acquired on December 30, 2016, and had been on care and maintenance since 2008. Following the completion of Titan's initial public offering ("IPO") on October 19, 2017, the mine entered the development stage. Titan also has a base metals exploration program on its unpatented mining claims in New Mexico, USA.

FINANCIAL AND OPERATIONAL SUMMARY

	Three months ended March 31,		
Financial Performance	**2019**	**2018**	**Change**
Loss for the period	$1,089	$1,582	($493)
Operating cash flow before changes in non-cash working capital	($83)	($1,241)	$1,158

Financial Condition	**March 31, 2019**	**December 31, 2018**
Cash and cash equivalents	$2,393	$2,290
Working capital (negative)	($12,322)	($7,653)
Total assets	$82,829	$73,201
Equity	$28,589	$27,239

	Three months ended March 31,		
Operating Data	**2019**	**2018**	**Change**
Payable zinc produced (million lbs)	6.4	2.0	6.2
Payable zinc sold (million lbs)	7.3	0.1	7.2
Average provisional zinc price (per lb)	$1.22	$1.49	($0.27)

HIGHLIGHTS

Significant events and operating highlights for the first quarter 2019 and up to the date of this MD&A include the following:

- The ESM operation was restructured with a near-term focus on underground development as well as continued near-mine and district exploration. The workforce was reduced, with a core team mining developed material at a reduced throughput.
- The Company continued its focus on the development of the #2D mineralized zone, which remains open at depth and laterally toward the #4 shaft. Rehabilitation of the #2D ore and waste handling system was completed and is being utilized. Ore and waste development activity commenced in late February and is ongoing.

(In thousands of US Dollars, unless otherwise indicated)

- Life of Mine engineering is underway and an updated mine plan for ESM incorporating the #2D zone is expected to be completed in 2019.
- The Company has amended certain terms of its credit facility with Bank of Nova Scotia whereby a maximum of $10 million is available to the Company on a revolving basis. The facility was fully drawn during the first quarter.

OPERATIONS REVIEW

		2019	2018				
		Q1	FY[1]	Q4	Q3	Q2	Q1
Production							
Ore mined	tons	46,302	188,788	48,673	57,544	64,976	17,595
Ore milled	tons	45,665	187,854	48,302	59,773	66,032	13,746
Feed grade	zn %	8.6	8.0	6.2	9.0	7.7	10.4
Recovery	%	96.2	94.3	96.1	96.1	92.7	81.7
Payable zinc [2]	mlbs	6.4	23.9	4.9	9.0	8.0	2.0
Concentrate grade	zn %	59.4	58.2	58.9	59.7	57.5	53.2
Zinc concentrate produced	tons	6,362	24,208	4,957	8,816	8,238	2,197
Sales							
Payable zinc	mlbs	7.3	22.6	4.3	9.4	8.8	0.1
Average provisional zinc price	$/lb	$1.22	$1.26	$1.19	$1.16	$1.40	$1.49

(1) The full-year figure may not equal the sum of the quarters due to rounding.
(2) The 2018 full-year figure includes in-circuit zinc inventory of 0.5 million pounds ("mlbs") as a result of filling the mill upon restart. This amount has been classified as Mineral property, plant and equipment.

As noted earlier, the Company decided to restructure the ESM operation with a near-term focus on underground development. Since February, the mine has lowered throughput while focusing on stope and waste development. A revised mine plan, incorporating the #2D zone and the higher-grade New Fold zone in the #4 mine, is targeted for completion in 2019. Implementation of the plan is subject to the Company obtaining additional financing.

During the initial ramp up at ESM, there was a focus on production and the operation fell behind on mine rehabilitation and development. Changes are being implemented as part of the restructuring that will target the shortfall of producing stopes and faces, with the goal of lowering costs and better positioning the mine for future success. The workforce has been reduced with the expectation of greater efficiencies associated with a smaller group of miners focused on production and development and exploration.

During March, the first full month of operations subsequent to the restructuring, tons hoisted and milled were in line with expectations, as was feed grade, recovery rates and concentrate grade. The first ore rounds were taken in two new mining areas: New Fold and #2D. Development was progressing well, supported by improved mobile equipment availability.

EXPLORATION UPDATE

Empire State Mine

Historic Data

The review, compilation, digitizing and modelling of historic drill data collected over approximately 100 years by the previous operators of ESM has contributed to the exploration success at ESM, with several near-mine mineralized zones identified, including the #2D zone and the NE Streeter zone. Titan's exploration team has temporarily halted its review and compilation of historical drill data due to a lack of resources.

2019 Drill Programs

Exploration drilling will test several district targets with one diamond drill. The district targets include historic mined areas, such as the Edwards mine, and several prospects with soil and geophysical anomalies. All exploration targets have potential for high-grade, large-tonnage deposits.

During the first quarter of 2019, approximately 28,400 feet of exploration drilling was completed. The majority of the drilling was completed with five drills in January; two of the drills conducted infill drilling on the #2D zone to continue defining the mineralization, and three drills were set up on district targets. In February and March, drilling continued on the district targets of Cronus, Talcville and Edwards, where mineralization was intercepted, but not in mineable thickness or grade. At the end of the first quarter, one drill remained on site for exploration drilling.

Additionally, an 18-hole underground delineation program, totaling approximately 11,250 feet, was completed in the first quarter. The program was designed to test the southern extension of the mineralization in the New Fold zone. The drilling confirms that high-grade zinc mineralization extends at least 300 feet up-plunge from the mineral resource included in the 2018 PEA (refer to the technical report entitled "NI 43-101 Preliminary Economic Assessment Updated Technical Report, Empire State Mines, Gouverneur, New York, USA", dated May 24, 2018). The mineralization in the New Fold zone now extends over 1,800 feet from southwest to northeast and remains open to the northeast. In February, the underground drilling program was postponed, and drilling equipment was demobilized. It is expected that the northeast extension of New Fold as well as three priority near-mine targets, which were recently identified, will be tested when underground drilling resumes.

Due to the proximity of the #2D zone to the #4 shaft (650 feet) and its significant resource potential, any new mineral resources that can be defined have the potential to be developed with a relatively low capital expenditure and short timeline, and to increase production above the current mine plan, while lowering unit operating costs. Titan has been assessing how to expedite development of this zone. During the first quarter, the #2D infill drilling program was completed and the project has advanced to development and definition drilling.

New Mexico

The Company began prospecting for base metals in an area of New Mexico in 2017 after being introduced to the area pursuant to an agreement with Arizona Mining Inc. ("Arizona") and/or its wholly owned subsidiary Arizona Minerals Inc., companies previously related by virtue of certain common directors and management. The agreement enabled the Company to explore the area and take title to any claims subject to a back-in right whereby Arizona could acquire a 60% interest in the claims on payment of two times the exploration expenditures at that time. In accordance with the agreement, as a result of the change of control of Arizona on August 10, 2018, the agreement was terminated, with Titan retaining interest in the claims. In 2018, the Company completed the first phase of its drilling program and was encouraged by the results. The Company plans on maintaining the current land position while evaluating future exploration activities.

(In thousands of US Dollars, unless otherwise indicated)

TREND ANALYSIS

Summary of Quarterly Results

	2019	2018				2017		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues (provisional pricing adjustments)	2,797	(344)	(300)	(909)	-	-	-	-
Net loss	1,089	4,871	5,979	3,422	1,582	2,527	3,069	3,430
Basic & diluted loss per share	0.01	0.05	0.06	0.03	0.01	0.03	0.05	0.06
Cash and cash equivalents	2,393	2,290	607	4,505	11,571	25,168	48	1,224
Total assets	82,829	73,201	58,603	58,234	60,833	60,835	31,738	32,840
Total liabilities	54,240	45,962	27,229	21,452	21,061	19,354	29,286	27,833

Note: The sum of the quarters in the table above may not equal the full-year amounts disclosed elsewhere in this document due to rounding.

Seasonality has a limited impact on the Company's operating results.

Activities in the second and third quarters of 2017 reflect the ongoing care and maintenance costs of ESM, and costs incurred for the preparation of a 43-101 Preliminary Economic Assessment technical report on ESM. During this period, the Company also onboarded a full site management team, along with technical support staff in the geology and engineering departments. Activities to advance the refurbishment of the mine during the second and third quarters of 2017 were limited by the availability of funding.

In the fourth quarter of 2017, the Company completed an IPO, raising a total of $41,429 before fees, and paid $9,119 of the liabilities that arose on the acquisition of ESM. Following the IPO, the Company started refurbishment of the mine and plant infrastructure in preparation for the start of operations. Accordingly, all mine site costs, including general and administration, but excluding exploration and evaluation costs, were capitalized to mineral properties, plant and equipment as construction-in-progress, resulting in a decrease in the net loss in the fourth quarter of 2017 and the first quarter of 2018, and a decrease in cash and cash equivalents in the first and second quarter of 2018.

During the second quarter of 2018, the Company completed the refurbishment activities. However, the Company has not yet declared commercial production as ESM has been unable to sustain production at rates that management intended. Therefore, the Company continued to capitalize mine site costs, excluding exploration and evaluation expenses, to mineral properties, plant and equipment and total assets continued to increase in value during the third and fourth quarters of 2018 and the first quarter of 2019. Furthermore, the adoption of the new accounting standard for leases effective January 1, 2019 contributed to the increase in total assets, and liabilities, in the first quarter of 2019.

The increase in net losses subsequent to the first quarter of 2018 was due to the impact of the negative mark-to-market revaluation of pre-commercial sales, as well as the increase in drilling activities during those quarters.

Cash and cash equivalents continued to decline in the second and third quarter of 2018 due to the ongoing pre-commercial activities at ESM and exploration activities. Cash and cash equivalents, and total liabilities, increased in the fourth quarter of 2018 as a result of financing received from a related party. Cash and cash equivalents increased slightly in the first quarter of 2019 due to additional funding received by the Company which offset the operating and exploration expenditures at ESM.

FINANCIAL REVIEW

Financial Results

($000's)	Three months ended March 31
Net loss for the 2018 period	$1,582
Increase (decrease) in components of loss:	
Revenues (provisional pricing adjustments)	(2,797)
Other operating expenses	1,530
Other expenses and income	774
Net loss for the 2019 period	$1,089

During the first quarter 2019, the Company recorded a positive mark-to-market adjustment on its revenue as a result of upward provisional pricing adjustments.

Other operating expenses increased during the first quarter of 2019 compared to the prior-year period due to increased exploration and evaluation ("E&E") expenses associated with the ongoing exploration program at site. These expenses were partially offset by slightly lower general and administration ("G&A") expenses in the quarter compared to the prior-year quarter.

During the first quarter of 2019, other expenses/(income) increased compared to the prior year primarily due to an increase in interest and other finance expenses related to the Company's borrowings. The Company had no debt in the first quarter 2018.

Revenue

	Three months ended March 31,			
($000's)	**2019**	**2018**	**Change**	**%**
Provisional pricing adjustments	$2,797	-	$2,797	100

Revenue for the first quarter 2019 comprises upward provisional pricing adjustments as zinc prices trended up during the first quarter.

Revenue realized during the commissioning phase of the Empire State Mine is recorded as a credit to mineral property, plant and equipment.

Other operating expenses

	Three months ended March 31,			
($000's)	2019	2018	Change	%
G&A expenses:				
Salaries and benefits	$471	$538	($67)	(12)
Share-based compensation	109	283	(174)	(61)
Office and administration	408	411	(3)	(1)
Depreciation of right-of-use assets	85	-	85	>100
	$1,073	$1,232	($159)	(13)
E&E expenses:				
Drilling	$1,743	$247	$1,496	606
Salaries and benefits	254	32	222	694
Other	55	84	(29)	(35)
	$2,052	$363	$1,689	465

G&A expenses for the first quarter 2019 have decreased by 13% compared to the prior year period. The decrease in salaries and benefits is due to a reduction in the personnel working at the corporate office. The decrease in share-based compensation reflects the forfeiture of options during the period. The depreciation of right-of-use assets in the first quarter 2019 relates to the adoption of the new accounting standard for leases effective January 1, 2019.

E&E expenses primarily relate to drilling costs. Drilling expenses increased for the first quarter of 2019 compared to the same period in 2018 as the Company continued its planned near-mine and district drilling programs.

Other expenses/(income)

	Three months ended March 31,			
($000's)	2019	2018	Change	%
Interest and other finance expenses	$773	$ -	$773	>100
Accretion expense	97	88	9	10
Interest income	(10)	(71)	61	(86)
Foreign exchange income	(28)	(30)	2	(7)
Gain on warrant derivative liability	(71)	-	(71)	>100
	$761	($13)	$774	>100

The increase in other expenses for the first quarter of 2019, compared to the same period of 2018 was primarily due to interest expense associated with credit facilities entered in 2018, a decrease in interest income that corresponds with the lower cash balance, and slightly higher accretion expense. These factors were partially offset by a gain associated with the difference in fair value of the warrant derivative liability as at December 31, 2018 and the fair value of the warrants issued during the first quarter of 2019.

(In thousands of US Dollars, unless otherwise indicated)

LIQUIDITY AND CAPITAL RESOURCES

Credit Facilities

Bank of Nova Scotia

In 2018, the Company entered into a secured credit agreement (the "Credit Facility") with the Bank of Nova Scotia ("Lender") to finance working capital and general corporate requirements. The Credit Facility has been amended and, currently, the available credit limit is $10,000 until May 31, 2019, and $6,000 on and after May 31, 2019. The maturity date is April 3, 2020. A $6,000 guarantee has been provided by a company controlled by Titan's Executive Chairman. At March 31, 2019, the Credit Facility was fully drawn.

The Credit Facility is subject to covenants that require the Company to maintain interest coverage ratio of not less than 4.0 to 1.0; total leverage ratio of not more than 2.5 to 1; and tangible net worth of an amount greater than or equal to $30 million plus 50% of consolidated net income. On March 31, 2019, the Company was in default of the interest coverage ratio, the total leverage ratio and the tangible net worth covenant. The Lender has provided a waiver for these covenants.

Loan from Related Party

In 2018, the Company entered a $18,710 subordinate secured credit agreement with a company controlled by Titan's Executive Chairman. This is a non-revolving facility and any repayment cannot be reborrowed. The maturity date is November 30, 2020. As at the date of this MD&A, a total of $17,595 was drawn.

Pursuant to this credit agreement, the Company issued 2,500,000 warrants to a company controlled by Titan's Executive Chairman in January 2019. Each warrant is exercisable for one common share of the Company for a period of five years, at an exercise price of C$1.40.

Financial Condition

	March 31, 2019	**December 31, 2018**
Cash and cash equivalents	$2,393	$2,290
Total debt	$27,241	$19,771
Net debt (cash)	$24,848	$17,481
Working capital (negative)	($12,322)	($7,653)

Cash and cash equivalents increased by $103 during the first quarter 2019 as $7,900 of funding was received slightly exceeding cash outflows. Cash outflows during the first quarter primarily comprised capital expenditures of $5,380, net non-cash working capital investments of $1,909 and net cash used in operating activities of $83.

At March 31, 2019, the Company's debt comprised the Credit Facility of $9,934, equipment loans of $56 and the loan from a related party of $17,251. The Credit Facility and equipment loans are classified as current whereas the loan from related party are classified as a long-term liability.

Working capital decreased by $4,669 during the first quarter of 2019. The primary contributors to the decrease in working capital were the $6,000 draw on the Credit Facility and a $1,353 increase in accounts payable. These factors were partially offset by a $2,144 increase in accounts receivable and the elimination of the $1,099 derivative liability upon issuance of warrants during the first quarter of 2019.

(In thousands of US Dollars, unless otherwise indicated)

Cash Flows

	Three months ended March 31,		
	2019	**2018**	**Change**
Operating cash flows before changes in working capital	(83)	(1,241)	1,158
Changes in working capital	(1,826)	(4,160)	2,334
Net cash flows used in operating activities	(1,909)	(5,401)	3,492
Net cash flows used in investing activities	(5,380)	(8,134)	2,754
Net cash flows provided by financing activities	7,456	346	7,110
	167	(13,189)	13,356

Net cash flows used in operations reflect the cash components of the E&E, G&A and finance expenses.

Cash flows from financing activities during the first quarter of 2019 reflect the amounts drawn on the Credit Facility and the loan from related party, net of associated transaction costs and interest payments, and payments made on lease liabilities. In the first quarter of 2018, the Company received $346 from a previously-related company with respect to the provisions of agreements governing certain shared operating leases.

Capital Expenditures

Cash flows used in investing activities in the first quarter of both 2019 and 2018 relate to the expenditures spent on the refurbishment of the mine, as well as all mine site costs associated with operating ESM during the pre-commercial production period. Revenue received during the first quarter of 2019 is recorded as a credit to capital expenditures. There was no revenue received in the first quarter of 2018.

Liquidity

As at March 31, 2019, the Company had total liquidity of $3,508, comprised of $2,393 of cash and cash equivalents and $1,115 available under its loan with related party. The Company had negative working capital of $12,322 and a deficit of $26,692 as at March 31, 2019, and negative operating cash flows before changes in working capital of $83 and a net loss of $1,089 for the three months ended March 31, 2019.

Based on the Company's restructuring plan announced in February 2019, the Company will require additional funding in the next twelve months. The Company has historically raised funds principally through the sale of securities and most recently, through the credit arrangement and advances from a related party. The Company expects that it will continue to obtain funding through similar or other means depending on market conditions and other relevant factors at the time. However, there can be no assurance that the Company will be able to obtain such additional funding or obtain it on acceptable terms. This material uncertainty casts significant doubt about the Company's ability to continue as a going concern.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development and exploration of its mineral properties and to maintain a flexible capital structure, which optimizes the costs of capital to an acceptable risk.

The capital structure of the Company currently consists of common shares, loans and the balance of the acquisition obligations. The Company manages the capital structure and adjusts it in response to changes in economic conditions, its expected funding requirements, and risk characteristics of the underlying assets. The Company's funding requirements are based on cash forecasts. In order to maintain or adjust the capital structure, the Company may issue new debt, new shares and/or consider strategic alliances. Management reviews its capital management approach on a regular basis. The Company is not subject to any externally imposed capital requirements.

(In thousands of US Dollars, unless otherwise indicated)

Contractual obligations and commitments

The Company's contractual obligations and commitments as at March 31, 2019 and their approximate timing of payment are as follows:

	<1 year	1 – 3 years	4 – 5 years	>5 years	Total
Debt:					
Repayment of principal	$10,000	$17,595	-	-	$27,595
Repayment of interest	99	581	-	-	680
Leases	971	553	21	-	1,545
Reclamation and remediation provision	-	-	-	19,921	19,921
	$11,070	$18,729	$21	$19,921	$49,741

Outstanding Securities

As of the date of this MD&A, the Company had 101,970,757 common shares issued, and 2,500,000 warrants and 8,230,000 options outstanding.

RELATED PARTY TRANSACTIONS

Related Party Loan

On November 30, 2018, the Company entered a credit agreement with a company controlled by Titan's Executive Chairman, to establish a $18,710 subordinate secured credit facility ("Loan"). The initial advance of $3,710 bears interest at 8% per annum and advances on the subsequent $15,000 bear interest at a floating rate equal to 7% plus the greater of (i) LIBOR and (ii) 1%, per annum. Interest is payable in cash or shares of the Company. The availability period for advances ends November 30, 2019. The Loan matures on November 30, 2020, but is subject to mandatory prepayment if the Company closes one or more financings that exceeds $30,000 in the aggregate or upon the occurrence of a change of control of the Company. The Loan is a non-revolving facility, and any repayment under the Loan shall not be re-borrowed. The Company is subject to certain general covenants with respect to the Loan.

Pursuant to the Loan, the Company issued 2,500,000 transferable warrants to a company controlled by Titan's Executive Chairman in January 2019. Each warrant is exercisable for one common share of the Company for a period of five years, at an exercise price of C$1.40. The fair value of the warrants as at the loan agreement date of November 30, 2018 has been recorded as borrowing costs.

As at March 31, 2019, there was $1,115 available to be drawn under the Loan.

The Augusta Group of Companies

The Augusta Group of Companies comprise the Company, along with Tethyan Resources Plc ("Tethyan") since February 1, 2019, Arizona Mining Inc. ("Arizona Mining") until August 10, 2018, NewCastle Gold Ltd. ("NewCastle") until December 22, 2017, and Armor Minerals Inc. Titan is related to these companies by virtue of certain directors and management in common. The Company shares office space, equipment, personnel and various administrative services with these other companies and these services have been provided through a management company ("Manco"), which is equally owned by the related companies.

The Company has determined that Manco is a joint arrangement whereby the related companies have joint control of the arrangement. The joint operators have rights to the assets, and obligations for the liabilities, of Manco. Each joint operator accounts for its share of assets, liabilities, income and expenses on a line-by-line basis.

Provisions of agreements governing certain shared leases required both NewCastle and Arizona Mining to make a payment to Manco upon each company's change of control to cover its share of the outstanding lease commitment. The NewCastle payment was redistributed to the remaining shareholders of Manco in the three months ended March 31, 2018.

(In thousands of US Dollars, unless otherwise indicated)

	Three months ended March 31, 2019	2018
Deferred rental contributions received from Newcastle	$ -	$ 346

Key management personnel compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company, and comprises the Company's Executive Chairman, Chief Executive Officer, President, Chief Financial Officer, Chief Operating Officer and Directors.

	Three months ended March 31, 2019	2018
Salaries and benefits	$ 243	$ 212
Share-based compensation	278	132
Directors' fees	49	149
	$ 570	$ 493

	March 31, 2019	December 31, 2018
Salaries and benefits payable	$ 18	$ 59
Termination benefits payable – current	299	220
Termination benefits payable – non-current	187	367
	$ 504	$ 646

ACCOUNTING CHANGES AND CRITICAL ESTIMATES

Estimates and judgments

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future years if the revision affects both current and future years.

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

Significant assumptions and judgments about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, which could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following areas:

- Estimated mineral resources;
- Revenue recognition
- Capitalization of costs
- Reclamation and remediation provision;
- Assessment of impairment;
- Fair value measurement
- Functional currency determination;
- Determination of useful life of assets for depreciation purposes;
- Share-based compensation; and
- Taxation

See note 3 of our 2018 annual audited consolidated financial statements for a detailed discussion of these accounting estimates and judgments, which are available on the Company's website and on SEDAR.

Changes in accounting policies

As a result of the application of IFRS 16 – *Leases*, the Company has amended the relevant accounting policies. Refer to note 3 of our condensed interim consolidated financial statements for the three months ended March 31, 2019 for additional details.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management, under the supervision of the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), have designed disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, based on the 2013 control framework developed by the Committee of Sponsoring Organizations of the Treadway Commission.

The DC&P have been designed to provide reasonable assurance that material information relating to the Company is made known to the CEO and CFO, particularly during the period in which the interim filings are prepared and the information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified. The ICFR has been designed to provide reasonable assurance regarding the reliability of financial reporting for external purposes in accordance with international financial reporting standards. Due to the inherent limitations associated with any such controls and procedures, management recognizes that, no matter how well designed, they may not prevent or detect misstatements on a timely basis.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

NI 52-109 also requires Canadian public companies to disclose any changes in ICFR during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, ICFR. No material changes were made to internal controls in the three months ended March 31, 2019.

NOTES TO READER

Cautionary note regarding forward-looking information

This MD&A contains forward-looking information within the meaning of applicable Canadian securities legislation. All information contained in this MD&A, other than statements of current and historical fact, is forward-looking information. Forward-looking statements are often, but not always, identified by the use of words such as may, will, seek, anticipate, believe, plan, estimate, budget, schedule, forecast, project, expect, intend, or similar expressions. All of the forward-looking information in this MD&A is qualified by this cautionary note.

The forward-looking statements are based on a number of assumptions which, while considered reasonable by the Company, are subject to risks and uncertainties. The Company cautions readers that forward-looking statements involve and are subject to known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to differ materially from those expressed in or implied by such forward-looking statements, and forward-looking statements are not guarantees of future results, performance or achievement. These risks, uncertainties and factors include general business, economic, competitive, political, regulatory and social uncertainties; actual results of exploration activities and economic evaluations; fluctuations in currency exchange rates; changes in project parameters; changes in costs, including labour, infrastructure, operating and production costs; future prices of zinc and other minerals; variations of mineral grade or recovery rates; operating or technical difficulties in connection with exploration, development or mining activities, including the failure of plant, equipment or processes to operate as anticipated; delays in completion of exploration, development or construction activities; changes in government legislation and regulation; the ability to maintain and renew existing licenses and permits or obtain required licenses and permits in a timely manner; the ability to obtain financing on acceptable terms in a timely manner; contests over title to properties; employee relations and shortages of skilled personnel and contractors; and the speculative nature of, and the risks involved in, the exploration, development and mining business.

The material factors or assumptions that we identified and were applied by us in drawing conclusions or making forecasts or projections set out in the forward-looking information include, but are not limited to:

- achieving the targeted completion date for a revised mine plan in 2019;
- the success of changes being implemented at ESM to address the shortfall of producing stopes and faces;
- the expectation of lower costs, and improved cash flow and productivity at ESM;
- the expectation of efficiencies associated with a reduced workforce;
- the expectation that any new mineral resources defined at the #2D zone have the potential to be developed with a relatively low capital expenditure and short timeline, and to increase production above the current mine plan, while lowering unit operating costs;
- the Company's plans to maintain its current land position in New Mexico while evaluating future exploration activities;
- the expectation the Company will continue to obtain financing through the sale of securities, credit arrangements, and similar or other means;

- the execution of our business and growth strategies, including the success of our strategic investments and initiatives;
- no significant unanticipated challenges with stakeholders at our various projects;
- no significant unanticipated events or changes relating to regulatory, environmental, health and safety matters;
- the timing and possible outcome of pending litigation and no significant unanticipated litigation; and
- no significant and continuing adverse changes in general economic conditions or conditions in the financial markets (including commodity prices and foreign exchange rates).

Although the Company has attempted to identify important risks, uncertainties and other factors that could cause actual performance, achievements, actions, events, results or conditions to differ materially from those expressed in or implied by the forward-looking information, there may be other risks, uncertainties and other factors that cause performance, achievements, actions, events, results or conditions to differ from those anticipated, estimated or intended. Unless otherwise indicated, forward-looking statements contained herein are as of the date hereof and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable law.

Qualified Person

The technical and scientific information in this MD&A has been approved by Donald R. Taylor, MSc., PG, Chief Executive Officer of the Company, a qualified person for the purposes of NI 43-101. Mr. Taylor has more than 25 years of mineral exploration and mining experience, and is a Registered Professional Geologist through the SME (registered member #4029597).

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