



Nomad Royalty Company Ltd.

(formerly Guerrero Ventures Inc.)

Management Discussion and Analysis

For the three and nine months ended September 30,
2020

This management discussion and analysis ("MD&A") for Nomad Royalty Company Ltd. ("Nomad" or the "Company") and its subsidiaries should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2020 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), applicable to the preparation of interim financial statements including IAS 34 — Interim Financial Reporting (the "Financial Statements"). Readers are encouraged to consult Orion Fund II Portfolio's audited combined carve-out financial statements for the year ended December 31, 2019, the Filing Statement of the Company dated May 15, 2020, a copy of which is available under the Company's profile on SEDAR at www.sedar.com. The information contained within this MD&A is as of November 9, 2020 and all monetary amounts are expressed in U.S. dollars, Nomad's reporting currency, unless otherwise noted.

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Highlights

- ▲ Gold ounces earned of 3,100 and 8,729 for the three and nine months ended September 30, 2020 (2,450 and 7,350 for the three and nine months ended September 30, 2019).
- ▲ Silver ounces earned of 52,616 and 152,833 for the three and nine months ended September 30, 2020 (35,587 and 154,652 for the three and nine months ended September 30, 2019).
- ▲ Gold equivalent ounces sold¹ of 3,933 and 11,283 for the three and nine months ended September 30, 2020 (2,860 and 9,149 for the three and nine months ended September 30, 2019). Including cash received at closing of the RTO Transaction (as defined herein), the gold equivalent ounces sold attributable to Nomad amount to 3,933 and 13,917 for the three and nine months ended September 30, 2020.
- ▲ Revenues of \$7.6 million and \$20.0 million for the three and nine months ended September 30, 2020 (\$4.3 million and \$12.8 million for the three and nine months ended September 30, 2019).
- ▲ Net income of \$0.5 million and \$8.8 million for the three and nine months ended September 30, 2020, respectively (net income of \$0.4 million and \$0.5 million for the three and nine months ended September 30, 2019).
- ▲ Adjusted net income¹ of \$2.0 million and \$8.4 million for the three and nine months ended September 30, 2020 (\$3.1 million and \$8.5 million for the three and nine months ended September 30, 2019).
- ▲ Gross profit of \$1.9 million and \$2.8 million for the three and nine months ended September 30, 2020 (\$0.1 million and \$0.1 million for the three and nine months ended September 30, 2019).
- ▲ Cash operating margin¹ of \$6.5 million and \$18.2 million for the three and nine months ended September 30, 2020 representing 86% and 91% of revenue and cash operating margin¹ per ounce of gold sold of \$1,634 and \$1,597, respectively (\$4.2 million and \$12.3 million for the three and nine months ended September 30, 2019 representing 97% and 96% and cash operating margin¹ per ounce of gold sold of \$1,495 and \$1,408, respectively). Including cash received at closing of the RTO Transaction, the cash operating margin¹ attributable to Nomad amounts to \$6.5 million and \$21.4 million for the three and nine months ended September 30, 2020.
- ▲ Commenced trading on OTCQX under the ticker NSRXF.
- ▲ Completed the acquisition of a 1% net smelter return ("NSR") royalty on the Troilus Gold Project located in Québec, Canada for cash consideration of \$1.9 million (CAD \$2.5 million) and the issuance of 5,769,231 units of the Company, each comprised of one common share and one-half of a common share purchase warrant of the Company.
- ▲ Completed the acquisition of Valkyrie Royalty Inc., the owner of a 0.5% to 3% NSR royalty on the Moss Gold Mine located in Arizona, United States (the "U.S.A.") through the issuance of 7,399,970 common shares of the Company.

- ▲ Announced the proposed acquisition of Coral Gold Resources Ltd. ("Coral"), the owner of a sliding-scale 1% to 2.25% NSR royalty on Nevada Gold Mines' Robertson property located in Nevada, U.S.A., for cash consideration of CAD \$0.05 and 0.8 of a unit of Nomad for each outstanding common share of Coral, each such unit being comprised of one common share and one common share purchase warrant of the Company.
- ▲ Closed a revolving credit facility with a syndicate of banks for \$50 million with the option to increase to \$75 million.
- ▲ Adopted an annual dividend policy of CAD \$0.02 per share, payable quarterly and declared the first quarterly dividend of CAD \$0.005 per common share for a total amount of \$2.0 million, paid on October 15, 2020.
- ▲ Filed a short form base shelf prospectus pursuant to which the Company may, from time to time, during the 25-month period from the date of the prospectus, offer to sale up to \$300 million of securities of the Company.

Subsequent to Quarter-end Highlights

- ▲ On November 9, 2020, the Board of Directors of the Company declared a quarterly dividend of CAD \$0.005 per common share payable on January 15, 2021 to shareholders of record as of the close of business on December 31, 2020.

^[1] Refer to section *Non-IFRS and Other measures* of this MD&A.

Description of the Business

Nomad is a gold and silver stream and royalty company that purchases rights to a certain percentage of the gold or silver produced from a mine, generally for the life of the mine. Nomad owns a portfolio of 12 royalty, stream and gold loan assets, of which six are on currently producing mines and one which is on a project expected to begin production by the end of the year or in early 2021. Nomad plans to grow its low-cost production profile through the acquisition of additional producing and near-term producing gold and silver streams and royalties and intends to focus on a high degree of diversification both in terms of the number of assets and jurisdictions.

The Company was continued as a federal corporation pursuant to the *Canada Business Corporations Act* in December 2019. In conjunction with a reverse take-over, the Company changed its name from Guerrero Ventures Inc. ("Guerrero") to Nomad Royalty Company Ltd. Nomad's common shares commenced trading on the Toronto Stock Exchange ("TSX") on May 29, 2020 under the symbol "NSR".

COVID-19

In December 2019, a novel strain of coronavirus known as COVID-19 surfaced. COVID-19 was declared a worldwide pandemic by the World Health Organization on March 11, 2020. The spread of COVID-19 around the world in 2020 has caused significant volatility in Canada, U.S. and international markets. The speed and extent of the spread of COVID-19, and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain. Further, the extent and manner to which COVID-19, and measures taken by governments, the Company or others to attempt to reduce the spread of COVID-19, may affect the Company cannot be predicted with certainty.

The operating mines on which the Company holds royalty and stream interests were impacted to a different extent for each mine:

- Premier Gold Mines Limited ("Premier Gold"): Mining activities at South Arturo Mine (Nevada, U.S.A.) continued with no significant interruption. The Mercedes Mine (Mexico) was placed on care and maintenance following a decree from the Mexican Federal Government which took effect on March 30, 2020 and which listed gold mining as a non-essential service. The Mercedes Mine restarted its operations, following a decree from the Mexican Health Ministry on May 13, 2020 that amended the March 30, 2020 decree to include, effective June 1, 2020, mining as an essential service. Operations at the Mercedes Mine restarted in July following a two-month suspension.
- Allied Gold Corp.: Operations at the Bonikro Mine (Côte d'Ivoire) have not been interrupted to date.
- Blyvoor Gold Capital (Pty.) Ltd.: The development of the Blyvoor Gold Mine (South Africa) was temporarily impacted due to the COVID-19 pandemic. Development is now continuing.
- Equinox Gold Corp.: RDM Gold Mine (Brazil) restarted full operations in April 2020 after a previously announced short-term suspension of mining activities in compliance with a municipal restriction.
- Heron Resources Limited ("Heron Resources"): The Woodlawn Mine's (Australia) operations were suspended and the project was put into care and maintenance in March 2020, in response to a number of factors, including the COVID-19 pandemic, its impact on global demand for commodities, the price of zinc and the extraordinary travel restrictions imposed by the Australian federal and state governments. The mine currently remains on care and maintenance and Heron Resources has initiated a strategic process.

Reverse Take-over Transaction

On May 27, 2020, Nomad completed the reverse take-over transaction (the "RTO Transaction") comprised of two related vend in transactions as well as a concurrent private placement of subscription receipts for an aggregate gross proceed to the Company of an amount of \$9.7 million (CAD \$13.3 million).

The RTO Transaction involved the acquisition by Nomad of an aggregate of six stream and gold loan assets from Orion Mine Finance Fund II LP, Orion Mine Finance Fund III LP and OMF Fund II (Li) LP (collectively, the "Orion Group") for total consideration of \$268.3 million (including \$221.8 million for the Orion Fund II Portfolio and \$46.5 million for the Bonikro Gold Stream) as well as the acquisition of three royalties and a commercial production payment from Yamana Gold Inc. and one of its affiliates (collectively, the "Yamana Group") for total consideration of \$65 million (the "Yamana Portfolio").

The Company satisfied the purchase price payable to the Orion Group by issuing 396,455,965 common shares at a price of CAD \$0.90 per share. Additionally, the Company satisfied the purchase price of the Yamana Portfolio by issuing 66,500,000 common shares to the Yamana Group at a price of CAD \$0.90 per share and by paying \$20 million in cash (the "Yamana Cash Consideration"). Pursuant to a Deferred Payment Agreement between the Company and the Yamana Group, the Company will pay \$10 million of the Yamana Cash Consideration through a deferred payment (the "Deferred Payment"), which has a two-year term (subject to an early redemption feature) and bears interest at an annual rate of 3%. The principal amount of the deferred payment and interest thereon is convertible, at any time, at the option of the Yamana Group into common shares of the Company at a price of CAD \$0.90 per share.

In connection with the RTO Transaction, the Company completed a private placement of 14,777,778 subscription receipts for gross proceeds of \$9.7 million (CAD \$13.3 million) through a syndicate of securities dealers (the "Financing"). A portion of the proceeds from the Financing was used to fund the cash component of the consideration payable to the Yamana Group. Upon completion of the vend-in transactions with the Orion Group and the Yamana Group, each subscription receipt issued under the Financing was automatically exchanged for one common share of the Company.

At the completion of the RTO Transaction and the Financing, Nomad had 511,015,979 common shares issued and outstanding, of which the Orion Group held 396,455,965 shares (77.58%) and the Yamana Group held 66,500,000 shares (13.01%).

In connection with the RTO Transaction, Nomad, the Orion Group and the Yamana Group entered into an investor rights agreement dated May 27, 2020 (the "IRA") which is governing the relationship of Nomad with the Orion Group and the Yamana Group as shareholders of the Company and providing both the Orion Group and the Yamana Group with nomination rights to the Board of the Directors of the Company, registration rights as well as the right to maintain their respective ownership interest in the Company. Pursuant to the IRA, the common shares of Nomad issued to the Orion Group in the RTO Transaction were subject to a 12-month lockup period while those issued to the Yamana Group were subject to a six-month lockup period.

The capital structure of Nomad was unchanged from Guerrero's previous capital structure, other than for the issuance of the shares as part of the RTO Transaction and the concurrent private placement. The RTO Transaction resulted in a reverse take-over of Guerrero by the Orion Fund II Portfolio, whereby the Orion Fund II Portfolio was deemed to have acquired control of Guerrero through the deemed issuance of 33,282,236 common shares to Guerrero's shareholders based on Guerrero's net assets as at May 27,

2020. Guerrero did not constitute a business before the RTO Transaction and as such the deemed acquisition was accounted for as an acquisition of assets and assumption of liabilities.

The RTO Transaction also led to the acquisitions of the Bonikro Gold Stream (as defined herein) and the Yamana Portfolio by the Company, which have been recorded as acquisitions of assets as neither the acquired assets and assumed liabilities constitute businesses under IFRS 3 *Business Combinations*. The net assets of the Bonikro Gold Stream and the Yamana Portfolio acquired were recorded at the fair value of the consideration paid and allocated to the assets and liabilities based on their estimated relative fair values as at May 27, 2020.

Pursuant to each of the vend in agreements dated February 23, 2020 entered into between Nomad and each of the Orion Group and the Yamana Group in connection with the RTO Transaction, Nomad had a right to all cash flow generated from the assets included in the vend-in agreements effective January 1, 2020. As such, the Orion Group paid \$8.6 million to Nomad at the closing of the RTO Transaction. The table below shows the deliveries related to the cash receipt of \$8.6 million at the closing of the transaction and information on presentation of each amount in the Financial Statements:

	January 1 to May 27, 2020			
	Gold equivalent ounces sold	Total revenues (in \$000s)	Cash margin (in \$000s)	Note
Premier Gold Prepay Loan	2,450	3,962	3,962	1
Bonikro Gold Stream – cash settled	2,633	3,149	3,149	2
Mercedes and South Arturo Silver Stream	400	587	469	3
Woodlawn Silver Stream	543	887	710	4
Sub-total	6,026	8,585	8,290	
Premier Gold Prepay Loan – interest	—	—	311	5
Total	6,026	8,585	8,601	

Notes:

1. Revenues related to the Premier Gold Prepay Loan (as defined herein) and the non-cash purchased cost of gold for the period before the closing of the RTO Transaction are presented in the statement of income of Nomad as they are included in the Orion Fund II Portfolio.
2. Other income, reflecting the revenues net of purchased cost of gold for the Bonikro Gold Stream settled in cash, is presented in the statement of cash flows, investing activities of Nomad for \$3.1 million (the “Bonikro Cash Adjustment”). As the Bonikro Gold Stream has been recorded as acquisition of assets on the closing date of May 27, 2020, revenues, cost of goods sold and depletion for the period before that date are not reflected in the statement of income of Nomad.
3. Revenues related to the Mercedes and South Arturo Silver Stream (as defined herein) and the purchased cost of silver for the period before the closing of the RTO Transaction are presented in the statement of income of Nomad. In addition, amounts of \$1.7 million and \$0.3 million are included in revenues and purchased cost of silver respectively, which were not attributable to Nomad.
4. Revenues related to the Woodlawn Silver Stream, other income related to the Woodlawn Lead Marketing Fee and the purchased cost of silver for the period before the closing of the RTO Transaction are presented in the statement of income of Nomad.

5. Interest on the Premier Gold Prepay Loan is presented in the statement of income of Nomad and is included in the change in fair value of the Premier Gold Prepay Loan.

The following tables illustrate the impact of the Bonikro Cash Adjustment on Nomad's results of operations for the three and nine months ended September 30, 2020:

For the three months ended September 30, 2020:						
	Attributable GEOs earned ^{1,2}	Attributable GEOs sold ^{1,2}	Revenues (\$000)	Cash costs ² (\$000)	Bonikro Cash Adjustment (\$000)	Cash operating margin ² and cash acquired (\$000)
Premier Gold Prepay Loan	900	900	1,698	—	—	1,698
Bonikro Gold Stream	1,791	1,955	3,750	783	—	2,967
Mercedes and South Arturo Silver Stream	583	583	1,153	239	—	914
Woodlawn Silver Stream	86	86	187	33	—	154
RDM Gold Royalty	409	409	780	—	—	780
Total	3,769	3,933	7,568	1,055	—	6,513

For the nine months ended September 30, 2020:						
	Attributable GEOs earned ^{1,2}	Attributable GEOs sold ^{1,2}	Revenues (\$000)	Cash costs ² (\$000)	Bonikro Cash Adjustment (\$000)	Cash operating margin ² and cash acquired (\$000)
Premier Gold Prepay Loan	5,800	5,800	9,992	—	—	9,992
Bonikro Gold Stream	2,520	2,520	4,603	879	3,149	6,873
Mercedes and South Arturo Silver Streams	982	1,879	3,453	655	—	2,798
Woodlawn Silver Stream	675	675	1,154	226	—	928
RDM Gold Royalty	409	409	780	—	—	780
Total	10,386	11,283	19,982	1,760	3,149	21,371

¹ Refer to section *Non-IFRS and Other measures* of this MD&A.

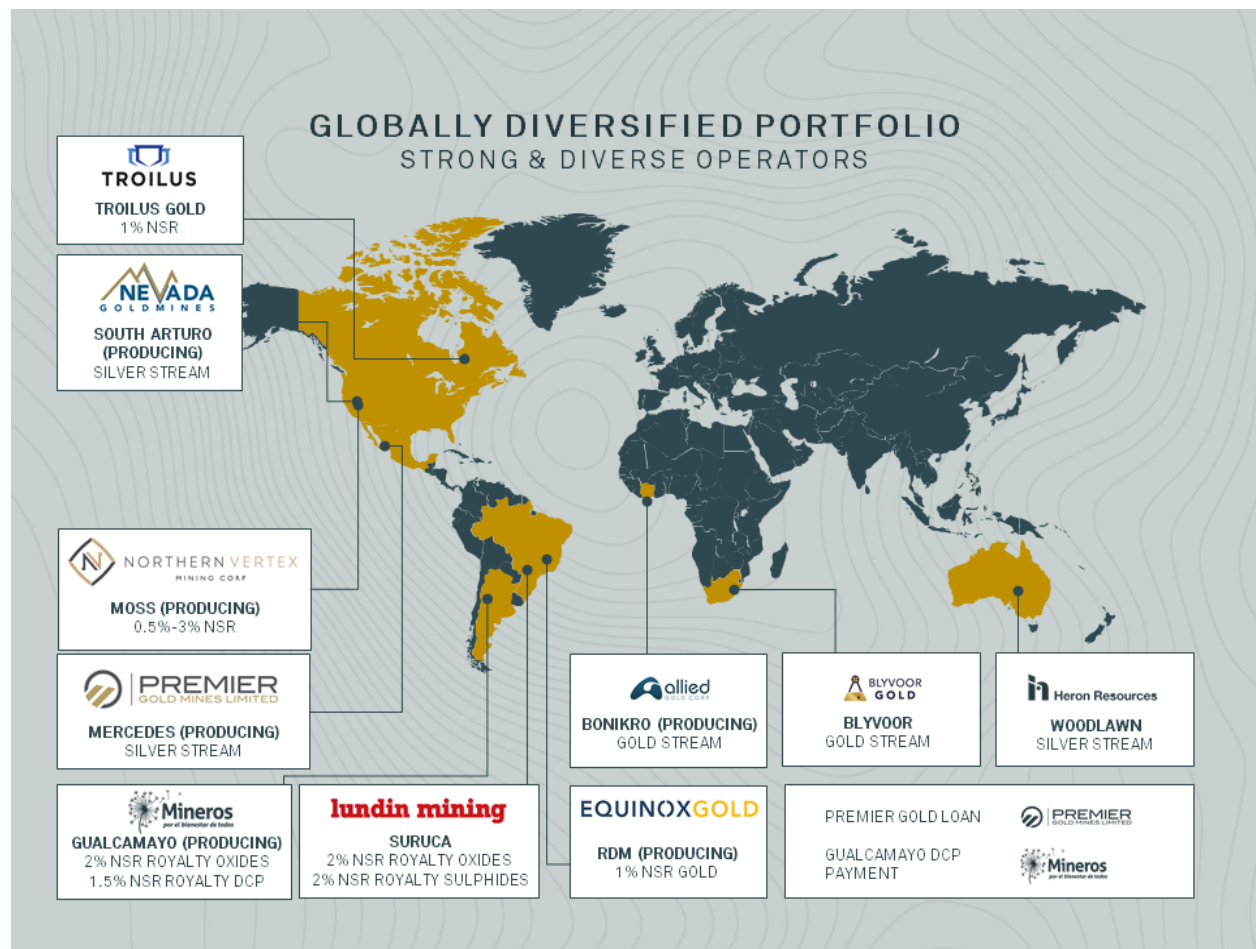
² Attributable to Nomad.

Proposed Acquisition of Coral Gold Resources Ltd.

On August 23, 2020, Nomad entered into a definitive arrangement agreement with Coral Gold Resources Ltd. ("Coral"), whereby the Company intends to acquire all of the outstanding common shares of Coral pursuant to a statutory plan of arrangement under the *Business Corporations Act* (British Columbia). Coral shareholders will be entitled to receive, for each Coral share held, consideration consisting of CAD \$0.05 in cash and 0.80 of a unit of the Company, comprised of one common share and one-half of a common share purchase warrant. Each full warrant will entitle the holder to purchase one additional common share at a price of CAD \$1.71 for a period of two years following the effective date of the proposed Coral acquisition. If the daily volume-weighted average trading price of the Company's common shares on the TSX exceeds the warrant exercise price by at least 25% for any period of 20 consecutive trading days starting one year from the effective date of the proposed Coral acquisition, the Company will have the right to give notice in writing to the holders of the warrants that the warrants will expire 30 days following such notice, unless exercised

prior thereto. Each stock option to acquire common shares of Coral will be subject to accelerated vesting in accordance with Coral’s stock option plan, and the option holders are expected to enter into option exercise and termination agreements with Coral prior to closing of the proposed Coral acquisition. Coral is a precious metals royalty company with assets in Nevada, U.S.A. Coral’s primary asset is a 1.00% to 2.25% sliding scale NSR Royalty on the Robertson property located in Nevada, U.S.A. The proposed Coral acquisition is expected to close on or about November 19, 2020, subject to the approval of at least two thirds of Coral’s shareholders and a simple majority of minority shareholders, the court, TSX Venture Exchange and TSX approvals, and other conditions.

Assets



Mercedes and South Arturo Silver Streams – Premier Gold Mines Limited

The Mercedes and South Arturo Silver Stream is a silver stream interest on the Mercedes Mine and South Arturo Mine, which are located in Mexico and Nevada (USA), respectively. The Mercedes Mine is wholly-owned and operated by Premier Gold while the South Arturo Mine is 60% owned by Nevada Gold Mines LLC, a joint venture between Barrick Gold Corporation and Newmont Corporation, and 40% by Premier Gold. Both mines are currently in production.

Following the pandemic-related suspension of the Mercedes Mine operations, Premier Gold announced that ore production and processing resumed in July 2020 with 12,183 ounces of gold and 49,985 ounces of silver produced for the three months ended September 30, 2020. A new simplified operating plan with a more focused mining and development strategy has enhanced productivity, reduced costs and is ensuring Mercedes Mine's ability to reliably deliver free cash flow. This optimized plan has consolidated production to one mine portal from five, reduced the mining rate to a target of 1,200 tonnes per day from 2,000 tonnes, and now operates the processing plant on a campaign basis in alignment with the plan and crew rotations. The success of future exploration and delineation drill programs is expected to allow the production rate to eventually return to the plant's nameplate capacity.

Regarding the South Arturo Mine operations, Barrick Gold, through its subsidiary Nevada Gold Mines, produced 17,740 gold ounces (7,096 gold ounces reflecting Premier Gold's 40% interest), from more than 650 tonnes of ore per day at the high-grade underground operation. Expansion drill results from the El Nino underground program were announced with highlight results of 39.6 m of 17.11 g/t Au, including 21.3 m of 24.75 g/t Au (SER20019) and 100.6 m of 5.73 g/t Au, including 13.7 m of 8.52 g/t Au (SER20018). Additional development opportunities are being advanced, including the Phase 1 and Phase 3 open-pit projects, and the assessment of the potential for an on-site heap leach facility. Surface drilling in the vicinity of these pits commenced during the third quarter of 2020. A pre-feasibility study for the South Arturo Mine is currently being completed (For further information on the Mercedes Mine and South Arturo Mine operations, refer to Premier Gold's press release dated October 14, 2020 available on Premier Gold's SEDAR profile at www.sedar.com).

The following is a summary of the material terms of the Mercedes and South Arturo Silver Stream:

- Delivery of (i) 100% on the silver production from the Mercedes Mine and 100% on the silver production from the South Arturo Mine attributable to Premier Gold (40% attribution), until a total of 3.75 million ounces of refined silver have been delivered; and (ii) after a total of 3.75 million ounces of refined silver have been delivered, the delivery will be reduced to 30%;
- minimum annual delivery of 300,000 ounces of refined silver until the cumulative delivery of 2.1 million ounces; and
- subject to an ongoing cash purchase price equal to 20% of the prevailing silver market price

The Mercedes and South Arturo Silver Stream is secured by, among other things, a continuing security interest and a second-ranking encumbrance.

Premier Gold Prepay Loan – Premier Gold Mines Limited

The gold prepay loan investment is a senior-secured loan whereby an initial cash advance of \$42.2 million was provided to Premier Gold in September 2016 ("Premier Gold Prepay Loan"). Pursuant to the Premier Gold Prepay Loan, Premier Gold was required to deliver at least 2,450 ounces of refined gold in each quarter of a calendar year until June 30, 2020. The Premier Gold Prepay Loan also bears interest at 6.5% payable quarterly in cash.

On March 4, 2020, an incremental term facility in the principal amount of \$15.5 million to supplement the \$42.2 million original term facility was made available to Premier Gold pursuant to the gold prepay credit agreement, which was amended and restated pursuant to a first amended and restated gold prepay agreement dated January 31, 2019.

As per the amended and restated gold prepay agreement, Premier Gold was required to continue delivering 2,450 ounces of refined gold until June 30, 2020 and is required to deliver 1,000 ounces of refined gold thereafter (subject to upward and downward adjustments in certain circumstances), until an aggregate of 16,900 ounces of refined gold have been delivered (as at June 30, 2020). As per the adjustments to the quarterly gold quantity and aggregate gold quantity provisions of the agreement ("Threshold Gold Price Clause"), if the quarterly average gold price is greater than \$1,650 per ounce, then the aggregate gold quantity deliverable is reduced by 100 ounces of refined gold, effective as of the first day of the next quarter (and if the quarterly average gold price is less than \$1,350 per ounce, then the aggregate gold quantity deliverable is increased by 100 ounces of refined gold). As at September 30, 2020, an aggregate of 11,000 ounces of refined gold remained to be delivered under the gold prepay agreement before adjustment to Threshold Gold Price Clause.

The maturity date of the Premier Gold Prepay Loan was extended to June 30, 2023 pursuant to the second amendment and restatement of the agreement.

Bonikro Gold Stream – Allied Gold Corp.

The Bonikro Gold Stream is a gold stream on the Bonikro Gold Mine located in Côte d'Ivoire, approximately 250 kilometres north-west of the commercial capital Abidjan. The Bonikro Gold Mine is operated by Allied Gold Corp. ("Allied Gold"). The Bonikro mine consists of two primary areas namely Bonikro (37 km² mining license) and Hiré (195 km² mining license). A third area, Dougbafla is in the process of being converted from an exploration license into a mining license. Gold has been produced from the Bonikro open pit mine and through the Bonikro carbon-in-leach plant since 2008.

Allied Gold has informed the Company that they have been producing from the Akissi-So, Chapelle and Chapelle West extension pits. During the month of September 2020, six Caterpillar 777 haul trucks were fully commissioned.

The following is a summary of the material terms of the Bonikro Gold Stream:

- Delivery of 6% of refined gold in respect of each lot, until both (i) 650,000 ounces of refined gold have been outturned following the closing date of the stream agreement; and (ii) 39,000 ounces of refined gold have been delivered;
- thereafter, 3.5% of refined gold in respect of each lot, until both (i) 1,300,000 ounces of refined gold have been outturned; and (ii) 61,750 ounces of refined gold have been delivered;
- thereafter, 2% of refined gold in respect of each lot; and
- subject to an ongoing payment at the lesser of \$400 per ounce and the gold market price on the business day immediately preceding the date of delivery.

The Bonikro Gold Stream is secured by first ranking security over all present and after acquired property of the seller and the guarantors party under the Bonikro Gold Stream agreement dated October 7, 2019.

Deliveries under the Bonikro Gold Stream were settled on a net cash basis as opposed to physical settlement until the beginning of June 2020. Since then, the Company has been receiving physical delivery of gold.

RDM Gold Royalty – Equinox Gold Corp.

The RDM Gold Royalty is an NSR royalty on the RDM Gold mine, which is located in the northern part of Minas Gerais, Brazil. The RDM Gold mine is operated by Mineração Riacho dos Machados, a wholly-owned Brazilian subsidiary of Equinox Gold Corp. (the company resulting from the combination of Equinox Gold Corp. and Leagold Mining Corporation pursuant to an arrangement that became effective on March 10, 2020) and is currently in production.

Equinox Gold Corp. sold 19,018 ounces of gold and realized revenue of \$32.5 million for the three months ended June 30, 2020. Grades and mining performance were better than planned for June 2020 as the operator mined alternative areas with shorter hauls while awaiting a pit extension permit. The RDM Gold mine is a conventional open pit and carbon-in-leach operation, which commenced commercial production in early 2014. Average annual life of mine production at RDM is estimated to be approximately 80,000 ounces of gold per year over the remaining seven-year mine life. Further exploration and potential underground production could extend the mine life. (For further information on the RDM Gold Mine operations, refer to Equinox Gold Corp.'s management discussion and analysis dated August 10, 2020, available on Equinox Gold Corp.'s SEDAR profile at www.sedar.com)

The details of the RDM Gold Royalty are as follows:

- 1% NSR royalty on the revenue related to the sale of gold; and
- 2% NSR royalty on the revenue related to sale of mineral products which originates in any other minerals (base metals); and
- payable on a semi-annual basis in February and August of every year.

Blyvoor Gold Stream – Blyvoor Gold Capital (Pty.) Ltd.

The Blyvoor Gold Stream is a gold stream interest on the Blyvoor Gold mine located 75 kilometres southwest of Johannesburg in the Gauteng Province of South Africa. The Blyvoor Gold mine is owned and operated by Blyvoor Gold Capital (Pty.) Ltd. ("Blyvoor Gold"), and is in its final construction and restart phase with initial production currently expected to commence in late 2020 or early 2021.

The following is a summary of the material terms of the Blyvoor Gold Stream:

- For the first 300,000 ounces of gold delivered under the stream, a 10% gold stream on the first 160,000 ounces of gold produced within a calendar year, then 5% stream on any additional gold produced within the calendar year;
- following delivery of the first 300,000 ounces of gold, but until the production of the first 10.32 million ounces of gold, a 0.5% stream on the first 100,000 ounces of gold produced in each calendar year; and
- the gold production at the Blyvoor Gold Mine is subject to an ongoing payment of \$572 per ounce.

The Blyvoor Gold Stream is secured by first ranking security over all of the present and after acquired property of Blyvoor Gold and the guarantors party to the Blyvoor Gold Stream agreement, against the property and assets of Blyvoor Gold.

Blyvoor Gold informed the Company that in response to COVID-19, strict health and safety measures were implemented. Following the visit of the Department of Minerals Resources and Energy relating to the inspection of the #5 sub-vertical shaft in September 2020, Blyvoor Gold received its final license which will allow them to access the deeper mining levels. Blyvoor Gold now has all the permits to commence operations. Blyvoor Gold expects to complete the plant construction and to commence processing operations in the fourth quarter of 2020. Mining operations have commenced on the upper levels and ore is currently hauled to surface.

Woodlawn Silver Stream – Heron Resources Limited

The Woodlawn Silver Stream is a silver stream on the Woodlawn Mine located in Australia. The Woodlawn Mine is operated by Heron Resources and has been put into care and maintenance due to COVID-19 from the commissioning stage. The mine was historically mined via open pit and underground mining between 1978 and 1998 and primarily produced zinc, lead and copper concentrates.

The operations at the Woodlawn mine were suspended and the project has been put into care and maintenance as of March 24, 2020, in response to a number of factors, as further discussed below, its impact on global demand for commodities, the price of zinc and the extraordinary travel restrictions imposed by the Australian federal and state governments.

As a result of the suspension of the operations at the Woodlawn Mine, Heron Resources was in default under its credit facilities and the Woodlawn Silver Stream Agreement and Heron Resources sought, and received, waivers from its senior creditors, including from the Company, of these default events. On August 14, 2020, Heron Resources announced the commencement of a strategic process in relation to its Woodlawn Mine and the appointment of Azure Capital as financial advisor in connection with such strategic process. Azure Capital will have a broad mandate to explore various options for the Woodlawn Mine including refinancing, joint ventures, and partial or complete divestment. In support of this process, Heron Resources has received a further twelve-month extension of the senior facility waivers,

including from the Company under the Woodlawn Silver Stream Agreement, until August 13, 2021. The Woodlawn Mine will remain on care and maintenance until such time as the strategic process terminates or as otherwise agreed between Heron Resources and its stakeholders, including the Company.

The following is a summary of the material terms of the Woodlawn Silver Stream Agreement:

- The stream amount on payable silver is as follows:
 - 80% of the number of ounces of payable silver contained in the product until 2,150,000 ounces of refined silver have been sold and delivered;
 - thereafter, 40% of the number of ounces of payable silver contained in the product until 3,400,000 ounces of refined silver have been sold and delivered;
 - thereafter, 25% of payable silver for the remaining life of mine after; and
 - subject to an ongoing payment of 20% of the prevailing silver market price for each ounce of silver acquired.
- The stream amount on payable zinc is as follows:
 - Silver stream based on payable zinc where the amount of zinc is converted to silver at a rate of 170.2 ounces of silver per metric tonne of zinc;
 - zinc stream rate of 0.30% until 140 tonnes of payable zinc have been delivered, thereafter, 1.15% until 910 tonnes of payable zinc delivered (in the aggregate), thereafter, 2.25% until 4,200 tonnes of payable zinc have been delivered (in the aggregate), and thereafter, 0.75% of payable zinc for the remaining life of the mine; and
 - subject to an ongoing payment of 20% of prevailing silver market price.

The Woodlawn Silver Stream is secured by, among other things, a security interest in all of the present and after acquired property of Tarago Operations Pty Ltd (the seller under the Woodlawn Silver Stream agreement dated June 29, 2017, as amended on October 4, 2019) and its subsidiaries, subject to certain permitted encumbrances and an intercreditor agreement.

The Lead Marketing Fee Agreement

The Lead Marketing Fee Agreement consists of a 0.2% fee payable on each tonne of payable lead contained in the project lead concentrates of the Woodlawn mine until such time as the fees has been paid for and in respect of 100,000 tonnes of payable lead.

Gualcamayo Gold Royalty and DCP Commercial Production Payment – Mineros S.A

The Gualcamayo Gold Royalty consists of an NSR royalty on the Gualcamayo Mine which is situated in the Province of San Juan, Argentina and is currently operated by Mineros S.A. The oxides component of the Gualcamayo mine is in production and has produced 1.4 million ounces of gold from both open pit and underground operations since commencing commercial production in 2009. The deep carbonate project ("DCP") component of the mine consists of a mineral resource located mainly to the west at the depth of the current mining operations and is at the pre-feasibility study stage of development.

Mineros S.A. has informed the Company that it is investing \$8 million annually in near-mine exploration and infill drilling to increase mine life. Only 20% of the 20,000-hectare land package has been explored.

The details of the Gualcamayo Gold Royalty, including the DCP commercial production payment, are as follows:

- 2% NSR royalty based on the production from the oxides, excluding the first 396,000 ounces (estimated at 275,000 ounces from January 1, 2020, onwards) of gold contained in product produced from the non-DCP component of the mine; the maximum aggregate amount payable under the Gualcamayo Gold Royalty is capped at \$50 million;
- 1.5% NSR royalty on production from the DCP in perpetuity; and
- DCP commercial production payment of \$30 million upon commencement of the DCP commercial production whereby the Company is entitled to be paid by Mineros Chile S.A. the DCP commercial production payment within five business days of commencement of the DCP commercial production. The Gualcamayo DCP component of the mine has not declared commercial production as at September 30, 2020.

Suruca Gold Royalty – Lundin Mining Corporation

The Suruca Gold Royalty is a 2% NSR royalty on the Suruca gold deposit upon which the Suruca project is being developed. The Suruca project is located in Goiás State, Brazil approximately 320 kilometres north of the state capital of Goiania and 270 kilometres northwest of the national capital of Brasília. The Suruca project is a gold-bearing development project operated by Mineração Maracá Indústria e Comércio S.A., the owner of the Chapada Copper-Gold Mine and a subsidiary of Lundin Mining Corporation. The Suruca project is located approximately seven kilometres north-east from the Chapada Copper-Gold mine. The Suruca project is not yet in production.

Troilus Gold Royalty – Troilus Gold Corp.

The Troilus Gold Royalty consists of a 1% NSR royalty on all metals and minerals produced from 81 mining claims and one surveyed mining lease comprising the Troilus Gold Project. The Troilus Gold Project is an advanced gold exploration project located within the Frotêt-Evans Greenstone Belt in Québec, Canada and operated by Troilus Gold Corp. From 1996 to 2010, Inmet Mining Corporation operated the Troilus project as an open pit mine, producing more than 2,000,000 ounces of gold and nearly 70,000 tonnes of copper.

Troilus Gold filed a preliminary economic assessment (“PEA”) on the Troilus Gold Project on October 14, 2020. The PEA supports a combined open pit and underground mining scenario with low initial capital costs and high rate of return for a 35,000 tonne per day operation over a 22-year mine life with projected gold production of 220,000 ounces average per year for the first 5 years and 246,000 ounces average per year for the first 14 years. (For further information, refer to Troilus Gold’s NI 43-101 Technical Report dated October 14, 2020 with an effective date of August 31, 2020, and entitled “Preliminary Economic Assessment of the Troilus Gold Project, Québec, Canada”, available on Troilus Gold’s SEDAR profile at www.sedar.com).

Moss Gold Royalty – Northern Vertex Mining Corp.

The Moss Gold Royalty consists of a 0.5% to 3% NSR Royalty on all metals and minerals produced from specific claims within the Moss Gold Mine as follows:

- a 1.0% NSR Royalty on certain patented lode claims with no other royalty within the Moss Gold Mine;
- a 0.5% overriding NSR Royalty on all production within the Moss Gold Mine derived from certain patented load claims with other royalty interests; and
- a 3% NSR on any and all production derived from 63 unpatented lode claims within the Moss Gold Mine and on public lands within one mile of Moss Gold Mine's outside perimeter of the present claim boundary.

The Moss Gold Mine is located in Arizona, U.S.A., and has been producing since 2018 by the operator Northern Vertex Mining Corp ("Northern Vertex").

Northern Vertex announced record production of 14,673 gold equivalent ounces and record revenues of \$27 million for the three months ended September 30, 2020. In the last six months, gold production at the Moss Gold Mine has consistently increased month-over-month. Northern Vertex is executing an aggressive 60,000-foot exploration campaign, with the aim to both unlock the high-grade Ruth Vein and add significant ounces that can be exploited from the current mining operations. Additionally, Northern Vertex is running a 45,000 ton bulk sample to assess the opportunity to dramatically expand throughput and drive down operating costs by transitioning from 1/4" crush to 3/8" crush (For further information on the Moss Gold Mine operations, refer to Northern Vertex's press release dated October 7, 2020 available on Northern Vertex's SEDAR profile at www.sedar.com).

Qualified Persons

The technical and scientific information contained in this MD&A relating to properties and operations on the properties on which the Company holds royalty, stream or other interests has been reviewed and approved in accordance with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101") by Louis-Pierre Gignac, ing., M.Sc.A, CFA, of G Mining Services Inc. and Réjean Sirois, P. Eng., of G Mining Services Inc., consultants of Nomad, each a "qualified person" as defined in NI 43-101.

Basis of Presentation of the Financial Statements

The financial statements for the three and nine months ended September 30, 2020 and 2019 represent activities, assets and liabilities of Nomad since the closing of the RTO Transaction. For dates and periods before the closing of the RTO Transaction, as Orion Fund II Portfolio was deemed to be the acquirer of Nomad, the Financial Statements are based on the combined carve-out financial statements of Orion Fund II Portfolio representing the activities, assets and liabilities of the Orion Fund II Portfolio on a "carve-out" basis, rather than representing the legal structure. For all periods before the closing of the RTO Transaction presented in the Financial Statements, the economic activities related to the Orion Fund II Portfolio are combined as they were under common control.

Selected Financial Information

The following tables present selected financial information. All amounts are expressed in thousands of U.S. dollars, except gold equivalent ounces earned and sold, per ounce amounts and per share amounts.

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
Operational measures:				
Gold equivalent ounces earned ¹	3,769	2,860	10,386	9,149
Gold equivalent ounces sold ¹	3,933	2,860	11,283	9,149
Statement of comprehensive income:				
Revenue	7,568	4,276	19,982	12,765
Gross profit	1,853	60	2,810	69
Operating income (loss)	690	(555)	(24,451)	(1,770)
Net income	526	373	8,847	497
Net income per share (basic and diluted)	0.00	0.00	0.02	0.00
Non-IFRS measures:				
Cash operating margin ¹	6,513	4,153	18,222	12,280
Total cash costs ¹	1,055	123	1,760	485
Adjusted net income ¹	1,992	3,084	8,377	8,495
Adjusted net income per share (basic and diluted) ¹	0.00	0.01	0.02	0.03
Cash flows:				
Operating cash flows	5,243	1,497	15,620	7,350
Investing cash flows	(1,940)	(18,500)	(24,291)	(47,000)
Financing cash flows	(514)	17,003	23,699	39,650

	As at September 30, 2020	As at December 31, 2019
	\$	\$
Consolidated balance sheets:		
Cash	15,028	—
Total assets	244,871	76,255
Working capital ²	20,484	6,907

¹ Refer to section *Non-IFRS and Other measures* of this MD&A.

² Working capital is defined as current assets less current liabilities.

Review of Performance for the three months ended September 30, 2020

For the three months ended September 30, 2020, revenue was \$7.6 million compared with \$4.3 million for the corresponding period in 2019. The increase of \$3.3 million is primarily due to an increase of 28% in gold prices and an increase of 38% of gold equivalent ounces sold¹, mainly attributable to the revenue generated by the Bonikro Gold Stream (acquired on May 27, 2020) and the Woodlawn Silver Stream (see details below).

For the three months ended September 30, 2020, net income and cash flows provided from operating activities were \$0.5 million and \$5.2 million, respectively, compared with \$0.4 million and \$1.5 million, respectively, for the corresponding period in 2019. The variations are primarily due to the following factors:

- An increase in revenue of \$3.3 million (as described above) and a decrease in purchased cost of gold and silver of \$1.0 million related to the decrease in ounces received from the Premier Gold Prepay Loan (in line with the amended and restated gold prepay agreement as described in the section *Assets* under *Premier Gold Prepay Loan – Premier Gold Mines Limited*), partially offset by an increase in depletion expenses of \$2.5 million, mainly related to the Bonikro Gold Stream.
- A \$0.5 million increase of the fair value of the gold prepay loan due to the increase in gold price during the third quarter.

Partially offset by:

- Share-based compensation of \$0.8 million related mainly to expensing over the vesting period of share options, restricted share units and deferred share units issued to officers and directors as part of the annual long-term incentive plan since the closing of the RTO Transaction.
- A \$3.1 million increase in the fair value of the liability for the conversion option of the deferred payment to the Yamana Group mainly related to the impact of the increase in the Company's share price since June 30, 2020.

The following tables summarizes the gold equivalent ounces earned and sold, the revenue and cash flows from operating activities for the producing royalty and stream interests for the three months ended September 30, 2020 and 2019:

	For the three months ended September 30, 2020			
	Gold equivalent ounces earned ¹	Gold equivalent ounces sold ¹	Revenues (in \$000s)	Cash operating margin ¹ (in \$000s)
Premier Gold Prepay Loan	900	900	1,698	1,698
Bonikro Gold Stream – in-kind delivery	1,791	1,955	3,750	2,967
Mercedes and South Arturo Silver Streams	583	583	1,153	914
Woodlawn Silver Stream	86	86	187	154
RDM Gold Royalty	409	409	780	780
Total	3,769	3,933	7,568	6,513

¹ Refer to section *Non-IFRS and Other measures* of this MD&A.

	For the three months ended September 30, 2019			
	Gold equivalent ounces earned ¹	Gold equivalent ounces sold ¹	Revenues (in \$000s)	Cash operating margin ¹ (in \$000s)
Premier Gold Prepay Loan	2,450	2,450	3,663	3,663
Mercedes and South Arturo Silver Streams	410	410	613	490
Total	2,860	2,860	4,276	4,153

¹ Refer to section *Non-IFRS and Other measures of this MD&A*.

Review of Performance for the nine months ended September 30, 2020

For the nine months ended September 30, 2020, revenue was \$20.0 million compared with \$12.8 million for the corresponding period in 2019. The increase of \$7.2 million is primarily due to an increase of 21% in gold prices and an increase of 23% of gold equivalent ounces sold², mainly attributable to the revenue generated by the Bonikro Gold Stream (acquired on May 27, 2020) and the Woodlawn Silver Stream (see details below).

For the nine months ended September 30, 2020, net income and cash flows from operating activities were \$8.8 million and \$15.6 million, respectively, compared with \$0.5 million and \$7.4 million, respectively, for the corresponding period in 2019. The increases are primarily due to the following factors:

- An increase in revenue of \$7.2 million (as described above), partially offset by an increase in purchased cost of gold and silver of \$1.0 million and an increase in depletion expenses of \$3.5 million related to the Bonikro Gold Stream and the Woodlawn Silver Stream.
- In connection with the RTO Transaction, an income tax recovery of \$35.3 million was recorded on May 27, 2020 to reflect the increase in the tax bases of the assets held by Orion Portfolio Fund II and their migration to Canada for tax purposes in the context of the RTO Transaction. This amount is offset by the recognition of listing expenses of \$23.5 million related to the RTO Transaction on May 27, 2020 (see Note 5 to the Financial Statements).
- A \$2.7 million increase of the fair value of the gold prepay loan due to the increase in gold price during the first three quarters of 2020.

Partially offset by:

- Share-based compensation of \$2.2 million related mainly to share-based compensation for an amount of \$1.2 million resulting from the issuance of a special one-time grant of share options and restricted share units to officers at the closing of the RTO Transaction and \$1.0 million from the expensing over the vesting period of share options, restricted share units and deferred share units issued to officers and directors as part of the annual long-term incentive plan since the closing of the RTO Transaction .
- An \$8.1 million increase in the fair value of the liability related to the conversion option of the deferred payment to the Yamana Group mainly related to the impact of the increase in the Company's share price since May 27, 2020.

² Refer to section *Non-IFRS and Other measures of this MD&A*.

The following tables summarize the gold equivalent ounces earned and sold, the revenue and cash flows from operating activities for the producing royalty and stream interests for the nine months ended September 30, 2020 and 2019:

	For the nine months ended September 30, 2020			
	Gold equivalent ounces earned ¹	Gold equivalent ounces sold ¹	Revenues (in \$000s)	Cash operating margin ¹ (in \$000s)
Premier Gold Prepay Loan	5,800	5,800	9,992	9,992
Bonikro Gold Stream – cash settled	322	322	425	425
Bonikro Gold Stream – in-kind delivery	2,198	2,198	4,178	3,299
Mercedes and South Arturo Silver Streams	982	1,879	3,453	2,798
Woodlawn Silver Stream	675	675	1,154	928
RDM Gold Royalty	409	409	780	780
Total	10,386	11,283	19,982	18,222

	For the nine months ended September 30, 2019			
	Gold equivalent ounces earned ¹	Gold equivalent ounces sold ¹	Revenues (in \$000s)	Cash operating margin ¹ (in \$000s)
Premier Gold Prepay Loan	7,350	7,350	10,346	10,345
Mercedes and South Arturo Silver Streams	1,799	1,799	2,419	1,935
Total	9,149	9,149	12,765	12,280

¹ Refer to section *Non-IFRS and Other measures of this MD&A*.

Review of Balance Sheet

Assets

Total assets were \$244.9 million as at September 30, 2020 compared to \$76.3 million as at December 31, 2019. The non-current assets are mainly comprised of the non-current portion of the gold prepay loan, royalty and stream interests, and deferred tax assets. The increase of \$168.6 million is mainly due to the acquisitions of the Bonikro Gold Stream and the Yamana Portfolio described in the section *Reverse Take-over Transaction*, the deferred tax assets resulting from the RTO Transaction and the Troilus Gold Royalty and Moss Gold Royalty acquisitions. Current assets primarily comprise cash, the current portion of the gold prepay loan and other current assets. The increase in current assets of \$16.8 million relates mainly to the net proceeds of \$9.0 million received from the private placement completed on May 27, 2020 concurrently to the RTO Transaction and the increase in sales proceeds.

Liabilities

Total liabilities as at September 30, 2020 primarily comprise an amount of \$18.3 million related to the Deferred Payment payable to the Yamana Group and the related conversion option described in section *Reverse Take-over Transaction* of this MD&A.

Equity

Shareholders' total equity increased by \$147.1 million as at September 30, 2020 compared to December 31, 2019, reflecting the impact of the RTO Transaction described in section *Reverse Take-over Transaction* of this MD&A. Concurrently, the Company received net proceeds of \$9.0 million from issuance of shares from the private placement completed on May 27, 2020 and issued shares in consideration for the Bonikro Gold Stream, the Yamana Portfolio, the Troilus Gold Royalty and the Moss Gold Royalty acquisitions.

Quarterly Information

Selected quarterly financial and statistical information for the most recent eight quarters is set out below (in thousands of dollars, except for amounts per share):

	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Cash	15,028	12,239	4,692	—	—	—	—	—
Total assets	244,871	224,716	91,563	76,255	79,081	61,736	45,521	38,944
Total revenue	7,568	6,038	6,376	4,613	4,276	4,290	4,199	4,030
Cost of purchased cost of gold and silver	2,753	4,599	4,380	3,920	3,762	3,620	3,368	3,320
Net income (loss)	526	7,265	1,056	1,465	373	127	(3)	(2,260)
Basic and diluted net income (loss) per share	0.00	0.02	0.00	0.00	0.00	0.00	0.00	(0.01)
Cash flow from operating activities	5,243	4,813	5,563	7,913	1,497	2,443	3,409	3,781
Average gold price	1,909	1,711	1,583	1,481	1,472	1,309	1,304	1,227
GEOs earned ¹	3,769	3,698	2,920	4,066	2,860	3,092	3,197	3,198
GEOs sold ¹	3,933	3,534	3,816	3,084	2,860	3,092	3,197	3,198

¹ Refer to section *Non-IFRS and Other measures of this MD&A*.

Liquidity and Capital Resources

As of September 30, 2020, the Company had cash of \$15.0 million (December 31, 2019 – nil) and working capital of \$20.5 million (December 31, 2019 – \$6.9 million).

On August 17, 2020, the Company entered into a credit agreement for a \$50 million revolving credit facility (the "Facility") with an option to increase to \$75 million, subject to satisfaction of certain conditions. The Facility is secured by all of the Company's assets and has an 18-month term, extendable through mutual agreement between Nomad and the lenders. Drawn funds will bear interest at a US base rate or LIBOR rate plus applicable margins between 2.25% and 4.25% depending on the Company's leverage ratio. The Facility is also subject to a standby fee of 0.73125% to 0.95625% depending on the Company's leverage ratio. Deferred financing costs, classified as *Other assets* and related to the Facility amounted to \$414,000 and are amortized over the term of the Facility. For the three and nine months ended September 30, 2020, amortization of \$35,000 was recorded as *Finance costs*. As at September 30, 2020, no amount was drawn under the Facility. In connection with the Facility, the Company is subject to certain covenants. As at September 30, 2020, the Company is in compliance with all covenants under the Facility. The Company intends to use the credit facility for future royalty and stream acquisitions.

The Company's cash requirements include administration costs, payments related to the contractual obligations and commitments on the producing stream agreements and expected dividend payment. Because of the nature of the Company's operations, there are limited requirements for capital expenditures and cash flows used in investing activities are mainly for the acquisition of royalties, streams, or other similar interests. Such acquisitions are discretionary, and consideration paid is generally satisfied by cash payments, issuance of shares or other equity instruments. The Company considers the current cash resources, credit facilities and future cash flows to be sufficient to cover the commitments, operating and administrative expenses, and dividend payments.

Cash Flows

Cash flows from operating activities

During the three and nine months ended September 30, 2020, the Company generated operating cash flows of \$5.2 million and \$15.6 million, respectively, compared with \$1.5 million and \$7.4 million, respectively, during the comparable periods of 2019. The increases are described, respectively, in the sections *Review of performance for the Three months ended September 30, 2020* and *Review of performance for the nine months ended September 30, 2020* above.

Cash flows used in investing activities

Cash flows used in investing activities were \$1.9 million for the three months ended September 30, 2020, which consisted of the cash consideration paid for the acquisition of the Troilus Gold Royalty. Comparatively, cash flows used in investing activities were \$18.5 million for three months ended September 30, 2019 to reflect a partial payment for the acquisition of the Blyvoor Gold Stream.

During the nine months ended September 30, 2020, cash flows used in investing activities amounted to \$24.3 million compared to \$47.0 million for 2019. In addition to the acquisitions completed for the three months ended September 30, 2020 and 2019 as referenced above, these amounts include \$15.5 million and \$10.0 million invested in the gold prepay loan in 2020 and 2019, respectively. Cash flows used in investing activities for the nine months ended September 30, 2020 also include the cash consideration of \$10.0 million paid to the Yamana Group for the acquisition of the Yamana Portfolio offset by the \$3.1 cash acquired from the acquisition of the Bonikro Gold Stream. Comparatively, cash flows used in investing activities for the nine months ended September 30, 2019 also include \$37.0 million to reflect the total payment for the acquisition of the Blyvoor Gold Stream.

Cash flows from financing activities

For the three months ended September 30, 2020, cash flows used in financing activities amounted to \$0.5 million related to share issue expense and deferred financing fees compared to cash flows provided by financing activities of \$17.0 million comprised of net parent investment prior to the RTO Transaction for 2019.

During the nine months ended September 30, 2020, cash flows provided by financing activities amounted to \$23.7 million and relate to net proceeds of \$9.0 million received from private placement completed on May 27, 2020 and net parent investment prior to the RTO Transaction of \$15.2 million during the nine months ended September 30, 2020 and \$39.7 million for the same period in 2019.

Contractual Obligations and Commitments

The following table summarizes the Company's commitments to pay for gold and silver to which it has the contractual right pursuant to the associated agreements:

	Attributable Payable Production to be Purchased		Per Ounce Cash Payment		Term of Agreement	Date of contract
	Gold	Silver	Gold	Silver		
Stream interest¹						
Blyvoor Gold Stream	10%	—	Lesser of spot price or \$572	—	Expires at 10,320,000 oz. delivered	Aug. 2018
Woodlawn Silver Stream	—	80%	—	20% of spot price	10 years after mining activity ceases	Aug. 2017 and Oct. 2019
Mercedes and South Arturo Silver Streams	1,000 oz. per quarter	100%	—	20% of spot price	40 years from Jan. 31, 2019	Jan. 2019 and Mar. 2020
Bonikro Gold Stream	6%	—	Lesser of spot price or \$400	—	Life of mine	Oct. 2019

¹ Refer to the *Assets* section of this MD&A for specific delivery terms of each stream agreement.

Share Capital

As at November 9, 2020, the Company had 524,526,327 common shares, 10,131,000 share options and 2,884,616 common share purchase warrants outstanding. The Company also had 1,312,900 restricted share units and 673,800 deferred share units outstanding. Pursuant to the deferred payment payable to the Yamana Group and based on the CAD \$/US\$ exchange rate as at November 9, 2020, 14,492,754 common shares would be issuable should the conversion option be exercised on such date.

Related Party Transactions

Prior to the RTO Transaction on May 27, 2020 and separation of the Orion Fund II Portfolio as a stand-alone public entity, the Orion Fund II Portfolio was managed and operated in the normal course of business by the Orion Group along with other Orion Group operations and not as a separate business. Please refer to Note 17 of the Financial Statements for details on the related party transactions for the three and nine months ended September 30, 2020.

Non-IFRS and Other Measures

The Company used, throughout this document, certain non-IFRS performance measures, including (i) cash operating margin and (ii) adjusted net earnings.

These non-IFRS measures do not have any standardized meaning prescribed by IFRS, and other companies may calculate these measures differently. The presentation of these non-IFRS measures 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.

In addition to the non-IFRS performance measures described below, the Company's royalty and stream revenues are converted to gold equivalent ounces ("GEOs") by dividing the gold royalty and stream revenues for a specific period by the average realized gold price per ounce for the same respective period. Silver earned from royalty and stream agreements are converted to gold equivalent ounces by multiplying the silver ounces by the average silver price for the period and dividing by the average gold price for the period.

Adjusted net income and adjusted net income per share

Adjusted net income and adjusted net income per share are calculated by removing the effects of the non-cash cost of sales related to the gold prepay loan, the listing expenses and the income tax recovery resulting from the RTO Transaction, the non-cash change in fair value of the conversion option for the Deferred Payment to the Yamana Group and the non-cash change in fair value of gold prepay loan. The Company believes that, in addition to measures prepared in accordance with IFRS, management and certain investors use this information to evaluate the Company's performance.

The following table provides a reconciliation of adjusted net income and adjusted net income per share (basic and diluted) (in thousands of dollars, except for amounts per share).

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
Net income	526	373	8,847	497
Adjustments:				
Non-cash cost of sales related to the gold prepay loan	1,698	3,639	9,972	10,265
Listing expenses	—	—	23,492	—
Change in fair value of conversion option	3,075	—	8,059	—
Change in fair value of gold prepay loan	(1,392)	(928)	(4,967)	(2,267)
Income tax expense recovery	(1,915)	—	(37,026)	—
Adjusted net income	1,992	3,084	8,377	8,495
Weighted average number of shares – basic and diluted	515,409,164	327,717,520	422,076,161	327,717,520
Adjusted net income per share (basic and diluted)	0.00	0.01	0.02	0.03

Cash operating margin and cash operating margin per ounce

Cash operating margin is calculated by subtracting the average cash cost of gold and silver on a per ounce basis from the average realized selling price of gold and silver on a per ounce basis. The Company presents cash operating margin as management and certain investors use this information to evaluate the Company's performance in comparison to other streaming and royalty companies who present results on a similar basis as well as to evaluate the Company's ability to generate cash flow.

The following table provides a reconciliation of cash operating margin and cash operating margin per ounce (in thousands of dollars, except for amounts per share or per ounce).

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
Cash operating margin per ounce				
Total revenue				
Gold sold	5,448	—	4,603	—
Silver sold	1,340	613	4,607	2,419
Cash received	780	—	780	—
	7,568	613	9,990	2,419
Total gold ounces sold	2,856	2,450	8,320	7,350
Total silver ounces sold	52,616	35,587	236,816	154,652
Total gold ounces earned (in kind)	2,691	2,450	7,998	7,350
Total gold ounces earned (cash)	409	—	731	—
Total silver ounces earned	52,616	35,587	152,833	154,652
Average realized price of gold (per ounce)	1,908	1,495	1,703	1,408
Average realized price of silver (per ounce)	25.47	17.23	19.45	15.64
Less:				
Average cash cost of gold (per ounce) ¹	274	—	106	—
Average cash cost of silver (per ounce) ¹	5.17	3.46	3.72	3.14
Cash operating margin per ounce of gold sold	1,634	1,495	1,597	1,408
Cash operating margin per ounce of silver sold	20.30	13.77	15.73	12.50
Cash operating margin				
Total revenue	7,568	4,276	19,982	12,765
Cash cost of sales ¹	1,055	123	1,760	485
Cash operating margin	6,513	4,153	18,222	12,280
Cash operating margin (% of total revenue)	86 %	97 %	91 %	96 %

¹ See reconciliation of average cash cost of gold and silver and cash cost of sales below.

Average cash cost and average cash cost per ounce

Average cash cost of gold and silver on a per ounce basis is calculated by dividing the total cost of sales, less depletion and non-cash costs of sales related to the gold prepay loan, by the ounces sold. In addition to measures prepared in accordance with IFRS, management and certain investors use this information to evaluate the Company's performance and ability to generate cash flow in comparison with other streaming and royalty companies in the precious metals mining industry who present similar measures of performance.

The following table provides a reconciliation of average cash cost and average cash cost per ounce (in thousands of dollars, except for amounts per share or per ounce).

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
Cost of sales	5,715	4,216	17,172	12,696
Less: Depletion	(2,962)	(454)	(5,440)	(1,946)
Less: Purchased cost of gold ounces received related to the gold prepay loan (non-cash)	(1,698)	(3,639)	(9,972)	(10,265)
Cash cost of sales	1,055	123	1,760	485
Cash cost of sales is comprised of:				
Total cash cost of gold sold	783	—	879	—
Total cash cost of silver sold	272	123	881	485
	1,055	123	1,760	485
Total gold ounces sold	2,856	2,450	8,320	7,350
Total silver ounces sold	52,616	35,587	236,816	154,652
Average cash cost of gold (per ounce)	274	—	106	—
Average cash cost of silver (per ounce)	5.17	3.46	3.72	3.14

Off-balance Sheet Items

There are no off-balance sheet arrangements.

Risks and Uncertainties

The Company holds royalty, stream and gold prepay loan interests and operates in an industry that is dependent on a number of factors that include environmental, legal, operational/execution, financing and political risks, the discovery of economically recoverable reserves and the ability of third-parties to develop, construct and operate assets and to maintain economically feasible production. The occurrence of any of these risks or any of the risks listed below could adversely affect the operating results and the financial condition of the Company could be seriously harmed and investors may lose a significant proportion of their investment. In addition, Nomad is exposed to the following financial risks:

Commodity Price Risk

Revenue, cash flow and net income from any of Nomad's royalty, stream and gold prepay loan will be influenced by the price of gold and silver and by the relationship of such prices to the pre-determined cost of purchasing gold and silver. Such prices can fluctuate widely and are affected by numerous factors beyond the control of Nomad.

Foreign Exchange Risk

The functional currencies of Nomad and its subsidiaries is the U.S. dollar. The Company undertakes certain transactions denominated in Canadian dollars, including certain operating expenses. Financial instruments that impact the Company's net income due to currency fluctuations include cash and cash equivalents, amounts receivables and accounts payable and accrued liabilities denominated in Canadian dollars. Based on the Company's Canadian dollar denominated monetary assets and monetary liabilities as at September 30, 2020, a 5% increase (decrease) of the value of the Canadian dollar relative to the United States dollar would not have a material impact on net loss.

In addition, the fair value of the Deferred Payment's Conversion Option is affected by the Canadian dollar exchange rate. A 5% increase in the foreign exchange rate would result in a decrease in income before income taxes of \$447,000.

Interest Rate Risk

Interest rate risk refers to the risk that the value of a financial instrument or cash-flows associated with the instrument will fluctuate due to changes in market interest rates.

The Company's interest rate risk on financial assets is primarily related to cash, which bear interest at variable rates. However, as these investments come to maturity within a short period of time, the impact would likely be not significant. Other financial assets are not exposed to interest rate risk because they bear interest at fixed rates.

The Company's exposure to interest rate risk fluctuation on the fair value of the Gold prepay loan and the Conversion option is not significant, as the interest rate was fixed at inception.

Please refer to the section entitled "Risk Factors" of the short form base shelf prospectus of the Company dated September 30, 2020, which is available under the Company's profile on SEDAR at www.sedar.com for a broader list of risks relating to the Company.

Critical Accounting Estimates and Judgements

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates. Critical judgements in applying Nomad's accounting policies are detailed in the Orion Fund II Portfolio's combined carve-out financial statements for the year ended December 31, 2019.

Reserves and Resources

Royalty and stream interests comprise a large component of Nomad's assets and as such, the reserves and resources of the underlying ore body to which the interests relate may have a significant effect on Nomad's financial statements. Estimates are applied in determining the depletion of and assessing the recoverability of the carrying value of royalty and stream interests. In respect of these interests, the public disclosures of reserves and resources that are released by the operators of these interests involve assessments of geological and geophysical studies and economic data and the reliance on a number of assumptions, including commodity prices and production costs. These assumptions are, by their very nature, subject to interpretation and uncertainty.

The estimates of reserves and resources may change based on additional knowledge gained subsequent to the initial assessment. Changes in the estimates of reserves and resources may materially affect the recorded amounts of depletion and the assessed recoverability of the carrying value of the royalty and stream interests.

Accounting for Royalty and Stream Interests and Gold Prepay Loan

Management has applied significant judgment in determining the accounting for the royalty and stream interests and gold prepay loan which involves evaluation of the terms and conditions of the arrangements as well as a number of factors including whether the arrangements expose to Nomad to development, production and price risk, the duration of the arrangement and how it compares to life of mine, the linkage of the arrangement to a specific mineral property or properties, how future payments for deliveries are determined and the correlation between the initial investment made by Orion Fund II Portfolio and the share of output from the mineral properties. As a result of this evaluation, management has concluded that the royalty and stream interests are in substance the acquisition of mineral properties and that the gold prepay is in substance a financing arrangement.

Impairment of Royalty and Stream Interests

Assessment of impairment of royalty and stream interests requires the use of judgments, assumptions and estimates when assessing whether there are any indicators that could give rise to the requirement to conduct a formal impairment test on Nomad's royalty and stream interests. The measurement of recoverable amounts requires the use of estimates and assumptions for the underlying properties' recoverable production, long-term commodity prices, discount rates, reserve/resource conversion, foreign exchange rates, future capital expansion plans and the associated production implications. Adverse or unfavorable changes in any of the assumptions and estimates used in determining the recoverable amounts of the royalty and stream interests could lead to the need to perform impairment tests.

Income Taxes

The interpretation and application of existing tax laws, regulations or rules in Canada or any of the countries in which the Company's subsidiaries or the mining operations in which the Company holds interests are located or to which deliveries of precious metals are made requires the use of judgment. The likelihood that tax positions taken will be accepted is assessed based on facts and circumstances of the relevant tax position considering all available evidence. Differing interpretation of these laws, regulations or rules could result in an increase in the Company's taxes, or other governmental charges, duties or impositions.

In assessing the probability of realizing deferred income tax assets, the Company makes estimates related to expectations of future taxable income, including the expected timing of reversals of existing temporary differences. Such estimates are based on forecasted cash flows from operations which require the use of estimates and assumptions such as long-term commodity prices and recoverable metal ounces. The amount of deferred income tax assets recognized on the balance sheet could be reduced if the actual taxable income differs significantly from expected taxable income. The Company reassesses its deferred income tax assets at the end of each reporting period.

Adoption of New Accounting Standards

Please refer to Note 4 to the Financial Statements for the new standard effective for the first time for the annual periods beginning on or after January 1, 2020 and for the new standards and interpretations not yet adopted.

Disclosure Controls and Procedures

Nomad's management, with the participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the design and effectiveness of Nomad's disclosure controls and procedures ("DC&P") and have concluded these disclosure controls and procedures were effective and appropriately designed as at September 30, 2020.

Management's Report on Internal Control over Financial Reporting

Management is responsible for the design, implementation and operating effectiveness of internal control over financial reporting. Under the supervision of the Chief Executive Officer and Chief Financial Officer, management evaluated the effectiveness of the Company's internal control over financial reporting as of September 30, 2020. In making the assessment, management used the criteria set forth in Internal Control - Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on a review of internal control procedures at the end of the period covered by this MD&A, management determined internal control over financial reporting was appropriately designed as at September 30, 2020.

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that internal controls over financial reporting and disclosure controls and procedures, no matter how well designed and operated, have inherent limitations. Therefore, even those systems determined to be properly designed and effective can provide only reasonable assurance that the objectives of the control system are met.

Subsequent Events to Quarter-end

On November 9, 2020, the Board of Directors of the Company declared a quarterly dividend of CAD \$0.005 per common share payable on January 15, 2021 to shareholders of record as of the close of business on December 31, 2020.

Cautionary Note Regarding Forward-Looking Information

Certain statements in this MD&A may constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this MD&A, such statements use such words as "plans", "expects", "is expected", "estimates", "continues", "outlook", "believes", "predicts", "anticipates" or variations of such words and phrases or terminology which states that certain actions, events or results "may", "could", "should", "would", "might", "will", "occur" "likely" or "be achieved". These statements reflect current expectations regarding future events and operating performance and speak only as of the date of this MD&A.

Forward-looking statements involve significant risks and uncertainties, and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, those described under "COVID-19" and "Risks and Uncertainties" in this MD&A as well as those described under section "Risk Factors" in the Company's short form base shelf prospectus dated September 30, 2020, which is available under the Company's profile on SEDAR at www.sedar.com. Although the forward-looking statements contained in this MD&A are based upon what management believes are reasonable assumptions, management cannot assure readers that actual results will be consistent with these forward-looking statements.

The Company's actual results could differ materially from those anticipated in these forward-looking statements and information as a result of both known and unknown risks. Readers should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. Readers are cautioned that the foregoing lists of factors are not exhaustive. Each of the forward-looking statements contained in this MD&A is expressly qualified by this cautionary statement.

These forward-looking statements are made as of the date of this MD&A. Subject to applicable securities laws, the Company assumes no obligation to update or revise them to reflect new events or circumstances.