



MANDALAY RESOURCES

MANDALAY RESOURCES CORPORATION

(the “Company”)

SAFETY AND HEALTH POLICY

PURPOSE

Our highest priority Value is:

“SAFETY-- Safety is paramount in all our decisions and actions, to proactively protect people and property.”

Following from this is one of our Key Success Factors:

“Our employees live and work safely and experience the personal satisfaction that comes with high performance and recognition.”

The purpose of this Policy is to guide all employees, contractors, consultants and visitors to the Company’s mine sites to exercise their responsibility, shared with the Company, to uphold the safety and health of everyone involved with Mandalay Resources.

PRINCIPLES

The safety and health of our employees, contractors, consultants, visitors at work and communities we operate in is a core value of Mandalay Resources. No other business objective has higher priority.

Mandalay Resources is committed to providing a safe and healthy work environment for all employees, contractors, consultants and visitors and requires that safety should not be compromised for any other business priority. We expect, and monitor consultants, suppliers, visitors and contractors of Mandalay Resources to have the same high standards of safety and health as we do.

GUIDELINES

The General Manager has overall responsibility for Health and Safety at a site and will measure safety performance in terms of near misses, lost time injuries (“LTIs”) and medically treated injuries (“MTIs”). Within the structure of Mandalay Resources, each Manager and reporting Superintendent is accountable for implementing this policy in his or her area of responsibility and will institute a process, at least weekly, in which management identifies near misses, LTIs and MTIs, their root causes and corrective measures. Safety performance is reviewed weekly with the Executive Team. The General Manager is responsible to develop and monitor Occupational Health and Safety (“**OH&S**”) objectives, targets and performance measures, and ensure that OH&S objectives and targets are included in contracts of employment.

As in effect August 2021

Consistent with our commitment to Safety, all Mandalay operations will:

- Provide the facilities, equipment, tools, procedures, safety programs and training for employees to work safely.
- Provide and monitor arrangements for the safe use, handling, storage and transport of equipment and materials.
- Practice continuous improvement in occupational safety and health performance utilising best practice procedures and taking into account evolving knowledge and technology.
- Comply with all laws and standards established by appropriate federal, state, regional and local governments and agencies in the jurisdictions within which it operates respecting the safety and health of our employees.
- Manage risk through the identification, elimination, monitoring and control of risk hazards, and implementing procedures accordingly, while reviewing performance.
- Ensure that all employees, including employees of contractors, suppliers and consultants, are fully instructed, trained and assessed in the tasks each will be required to perform and in the operation of all plant and equipment each will be required to operate.
- Clearly define, communicate and consult with employees — including employees of contractors, consultants, and suppliers — and where appropriate, involve them in the development of practices and procedures aimed at the improvement of occupational health and safety performance.
- Ensure all employees, including employees of contractors, consultants, and suppliers, are fully aware of and trained in their responsibilities to take reasonable care and to ensure their own health and safety at work and avoid adversely affecting the health or safety of others through any act or omission at work.
- Cooperate with government and the community stakeholders on occupational health and safety issues and contribute to the development of relevant occupational health and safety policy, legislation, standards and research, when needed.
- Ensure that all the visitors to the mine site receive a safety briefing program.

Employees should not start work until they understand what work is to be done and how to do it safely. They are all expected to be engaged in the Company's safety management process specific to the operation. Engagement includes communicating with all the parties involved about safety-related behaviours and conditions and bringing to management's attention those issues which require their involvement and support.

All employees should report all known or observed hazards to their immediate Manager or Supervisor. Employees will be supported and provided resources to accomplish this.

Employees in leadership positions are responsible for deploying and actively supporting the Company's overall safety program. Included in this responsibility are monitoring and enforcing the use of safe working practices and safety rules.

Tracking and Applying Safety Performance

Mandalay measures its safety performance in terms of near misses, lost time injuries ("LTI") and medical treatment injuries ("MTI") when employees are conducting Mandalay business onsite or offsite. It will track incidents and injuries both by employees and by contractors and their correlating frequency rates. A near miss is defined as an unplanned event that did not result in serious injury, illness or property damage but had the potential to do so and was avoided through good fortune. An LTI is defined as an occupational injury that results in one or more days away from work. An MTI is defined as an occupational injury that requires medical attention from a qualified medical or health professional other than first aid but does not restrict the person returning to work the following shift.

On a weekly basis, the Company will communicate information related to the safety performance of the operations at each work site location.

Mandalay shall report to the Board of Directors at the end of each month the near misses, LTIs and MTIs and the corresponding frequency rates for each operation and the consolidated Company. In addition, the General Managers will report to executive management what happened, the root cause, and remedial actions to mitigate the root cause for each LTI, MTI and near miss.

Mandalay operations management shall report immediately to executive management in the event of a fatality, and executive management shall report the fatality immediately to the Board.

This Policy is applicable to Mandalay Resources in all its operations and functions including those situations where employees are required to work offsite.

This Policy will be made available to stakeholders and interested parties on request.

NON-COMPLIANCE

Failure to comply with this policy may lead to disciplinary action, up to and including termination of employment.