MANDALAY RESOURCES

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021

AS OF AUGUST 11, 2021

CONTENTS

Cautionary Note Regarding Forward-Looking Information

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed consolidated interim financial statements of Mandalay Resources Corporation ("Mandalay" or the "Company") for the three months and six months ended June 30, 2021, the Company's Annual Information Form dated March 31, 2021 (the "AIF"), the Company's 2020 audited consolidated financial statements and accompanying 2020 MD&A, as well as other information relating to the Company on file with the Canadian provincial securities regulatory authorities on SEDAR at www.sedar.com. The Company's reporting currency is the United States ("U.S.") dollar and all amounts in this MD&A are expressed in U.S. dollars unless otherwise stated. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS").

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

Certain statements contained in this document constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements. Such factors include, among others, the following: risks surrounding the current COVID-19 pandemic, mining industry risks; fluctuations in the market price of mineral commodities; project development; expansion targets and operational delays; environmental risks and hazards; requirement of additional financing; health and safety; uncertainty as to calculations of mineral deposit estimates; marketability; licenses and permits; title matters; governmental regulation of the mining industry; current global financial conditions; currency risk; uninsured risks; competition; repatriation of earnings; properties without known mineral reserves; dependence upon key management personnel and executives; dependence on major customers; infrastructure; litigation; potential volatility of market price of common shares; possible conflicts of interest of directors and officers of the Company; risk of dilution; payment obligations relating to properties; instability of political and economic environments; and integration of acquisitions. Specific reference is made to the Annual Information Form for a discussion of some of the factors underlying forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.

This MD&A contains references to non-IFRS measures. Please refer to Section 1.14 "Non-IFRS Measures" at the end of this MD&A for the list of these measures and their definitions.

Overview of Mandalay Resources

Mandalay Resources is a Canadian-based natural resource company with producing assets in Australia (Costerfield gold-antimony mine), Sweden (Björkdal gold mine) and Chile (Cerro Bayo gold-silver mine). The Company is focused on growing its production and reducing costs to generate significant positive cashflow.

Mandalay's mission is to create shareholder value through the profitable operation of both its Costerfield and Björkdal mines. Currently, the Company's main objective is to continue mining the high-grade Youle vein at Costerfield, which continues to supply high-grade ore, and to extend Youle's Mineral Reserves at depth and to the south, as well as continuing the regional exploration program. At Björkdal, the Company will aim to increase production from the Aurora zone and other higher-grade areas in the coming years, in order to maximize profit margins from the mine and continue exploration near mine and regional.

Mandalay is committed to operating safely and in an environmentally responsible manner, while developing a high level of community and employee engagement.

1.0 FINANCIAL AND OPERATING SUMMARY

Second Quarter 2021 Highlights:

- **Consolidated gold equivalent production of 28,843 ounces** compared to 28,676 ounces in Q1 2021, and 24,752 ounces in Q2 2020. The increase in ounces produced in Q2 2021 compared to Q2 2020 was mainly due to the continuation of the trial processing of mineralized waste dump material at Cerro Bayo in 2021.

- **Adjusted net income[1] of $11.5 million ($0.13 or C$0.15 income per share)** compared to adjusted net income of $5.6 million in Q1 2021 ($0.06 or C$0.08 income per share) and an adjusted net income of $7.6 million ($0.08 or C$0.12 income per share) in Q2 2020. **Consolidated net income in Q2 2021 was $4.8 million ($0.05 or C$0.06 income per share)**, lower than adjusted net income mainly due to a $6.3 million fair value loss related to the gold hedges associated with the Syndicated Facility and $0.4 million fair value loss related to mark-to-market adjustment, compared to a consolidated net income of $25.5 million ($0.28 or C$0.35 income per share) in Q1 2021 and a consolidated net loss of $2.4 million ($0.03 or C$0.04 loss per share) in Q2 2020.

- **Consolidated capital expenditures of $13.6 million** compared to $12.0 million in Q1 2021 and $10.6 million in Q2 2020.

- **Cash on hand was $39.1 million as of June 30, 2021,** compared to $29.9 million as at March 31, 2021, and $20.9 million as at June 30, 2020. Strong cash position despite $3.8 million repayment of the Syndicated Facility in the quarter, leaving $51.4 million owing at quarter end. At current metal prices and exchange rates the Company is also on schedule to be net debt free by year end 2021.

- **Free cash flow[1] of $12.7 million** (near-record high quarterly amount for the Company) compared to outflow of $1.8 million in Q1 2021, and $4.4 million inflow in Q2 2020. The increase in Q2 2021 compared to Q2 2020 was the result of increased revenue from additional production.

- **Consolidated cash cost[1] of $960 and all-in sustaining cost[1] of $1,342 per ounce of saleable gold equivalent production** compared to $883 and $1,212 per ounce, respectively in Q1 2021. This increase in consolidated unit cash costs was mainly due to higher costs of sales mainly at Björkdal and Cerro Bayo. In Q2 2020, these costs were $851 and $1,230 per ounce, respectively. The higher unit costs in Q2 2021 as compared to Q2 2020 were driven by higher costs of sales, as underground operations accelerated at Björkdal and with local currencies strengthening against the U.S. Dollar in Q2 2021 as compared to Q2 2020.

- **Revenue of $51.4 million on gold equivalent sales of 28,115 ounces** compared to $52.6 million on 29,713 ounces in Q1 2021, broadly the same between the periods. In Q2 2020, revenue was $42.3 million from 24,916 ounces of gold equivalent sold. This increase in Q2 2021 as compared to Q2 2020 was the result of a 13% increase in gold equivalent ounces sold and the support from higher realized metal prices. The Company's realized gold and antimony prices in Q2 2021 were $1,793 and $11,671, respectively, while in Q2 2020 realized prices were $1,714 and $5,316, respectively.

- **Adjusted EBITDA[1] of $23.1 million** compared to $26.1 million in Q1 2021 and $21.3 million in Q2 2020. Q2 2021 adjusted EBITDA was lower as compared to $26.1 million during Q1 2021 due to higher costs of sales. The increase in Q2 2021 adjusted EBITDA compared to Q2 2020 relates mainly to increased revenue.

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1 Adjusted EBITDA, adjusted net income, free cash flow, cash and all-in sustaining costs are non-IFRS performance measures. Refer to Section 1.14 "Non-IFRS Measures" for further information.

Summary of Mandalay Operational and Financial Results

Operating Summary

The following table sets forth a summary of the Company's operational results for the three and six months ended June 30, 2021 and 2020:

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Björkdal				
Gold produced (oz)	10,941	11,250	22,796	22,000
Gold sold (oz)	12,132	11,290	24,208	23,055
Cash cost per oz gold produced ($)(1)	1,338	1,078	1,259	1,065
All-in sustaining cost[1] per oz gold produced ($)	1,766	1,352	1,647	1,383
Costerfield				
Gold produced (oz)	9,959	10,353	21,041	20,973
Antimony produced (t)	858	946	1,690	2,054
Gold equivalent produced (oz)(2)	14,818	13,502	30,276	28,429
Gold sold (oz)(3)	9,287	10,521	21,811	19,688
Antimony sold (t)(3)	644	933	1,616	1,793
Gold equivalent sold (oz)(2,3)	12,934	13,626	30,571	26,137
Cash cost[1] per oz gold eq. produced ($)	652	662	646	604
All-in sustaining cost[1] per oz gold eq. produced ($)	1,009	1,025	972	935
Cerro Bayo				
Gold produced (oz)	1,807	-	2,531	-
Silver produced (oz)	87,062	-	130,761	-
Gold equivalent produced (oz)(2)	3,084	-	4,447	-
Gold sold (oz)(3)	1,728	-	1,728	-
Silver sold (oz)(3)	90,024	-	90,024	-
Gold equivalent sold (oz)(2,3)	3,049	-	3,049	-
Cash cost[1] per oz gold eq. produced ($)	1,097	-	1,066	-
All-in sustaining cost[1] per oz gold eq. produced ($)	1,110	-	1,075	-
Consolidated				
Gold equivalent produced (oz)(2)	28,843	24,752	57,519	50,429
Gold equivalent sold (oz)(2,3)	28,115	24,916	57,828	49,192
Cash cost[1] per oz gold eq. ($)	960	851	922	805
All-in sustaining cost[1] per oz gold eq. ($)	1,342	1,230	1,284	1,244
Average gold price ($/oz)	1,814	1,709	1,804	1,646
Average silver price ($/oz)	26.61	16.31	26.42	16.63
Average antimony price ($/t)	10,272	5,688	9,859	5,920

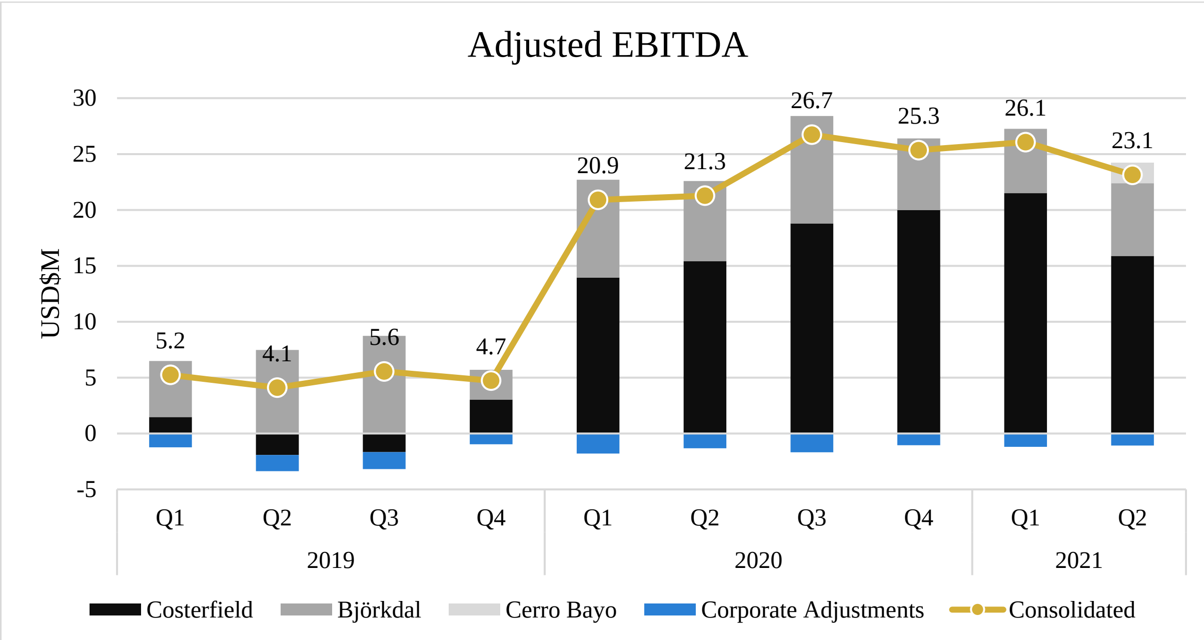
1. Cash and all-in sustaining costs are non-IFRS measures. The Company has restated consolidated cash cost to exclude corporate level general and administrative expenses in the current and comparative periods. Refer to Section 1.14 "Non-IFRS Measures" for further information.
2. Gold equivalent ounces (or "Au Eq. oz") produced/sold is calculated by multiplying the saleable quantities of gold and antimony in the period by the respective average market price of the commodities in the period, adding the two amounts to get "total contained value based on market price", and then dividing that total contained value by the average market price of gold in the period. Average Au price in the period is calculated as the average of the daily LME PM fixes in the period, with price on weekend days and holidays taken from the last business day; average Sb price in the period is calculated as the average of the high and low Rotterdam warehouse prices for all days in the period, with price on weekend days and holidays taken from the last business day. The source for Au and Ag prices is www.transamine.com and Sb price is www.metalbulletin.com.
3. Updated Au oz and Sb t sold subsequent to the press release dated April 13, 2021.

Financial Summary

The following table sets forth a summary of the Company's financial results for the three and six months ended June 30, 2021 and 2020:

	Three months ended June 30		**Six months ended June 30**	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Revenue	51,352	42,335	103,925	83,901
Cost of sales	27,135	19,734	52,549	38,566
Income from operations (excl. depr. & depletion)(1)	24,217	22,601	51,376	45,335
General and administrative costs	1,082	1,330	2,179	3,161
Adjusted EBITDA(1)	23,135	21,271	49,197	42,174
Depreciation and depletion	8,955	8,811	19,771	17,406
Adjusted EBIT(1)	14,180	12,460	29,426	24,768
Finance costs	1,816	2,989	4,170	8,608
Unrealized loss (gain) on hedges	6,685	14,249	(13,552)	23,555
Tax, forex and others(2)	889	(2,339)	8,518	(1,348)
Adjusted net income(1)	11,475	7,632	17,121	12,818
Consolidated net income (loss)	4,790	(2,439)	30,290	(6,047)
Adjusted income per share(1)	0.13	0.08	0.19	0.14
Consolidated income (loss) per share	0.05	(0.03)	0.33	(0.07)
Total assets	310,841	260,298	310,841	260,298
Total liabilities	151,852	155,023	151,852	155,023
Total equity	158,989	103,775	158,989	103,775
Consolidated capital expenditures				
Capital development	5,835	5,749	11,206	11,156
Property, plant and equipment purchases	5,306	3,168	10,052	6,276
Capitalized exploration	2,437	1,649	4,346	3,171
Total	13,578	10,566	25,604	20,603

1. Income from operations (excl. depreciation & depletion), Adjusted EBIT, Adjusted EBITDA and Adjusted net income (loss) are non-IFRS performance measures. Refer to Section 1.14 "Non-IFRS Measures" for further information.
2. Others includes such items as share based compensation and write down of assets.



Exploration

At Costerfield in Q2 2021, exploration was focused on the Shepherd Zone below the Youle orebody. This area, discovered in Q1 2021, was further delineated and extended by drilling through Q2. Drilling occurred underneath the Cuffley orebody where a depth extension was tested in light of new information gained from mining the Youle deposit. Testing was done adjacent to the Cuffley deeps mineralization targeting for a deposit similar to the Youle deposit with two holes drilled from surface during the quarter.

In the second half of 2021, a number of drill testing projects that were placed on hold due to drilling on the Shepherd Zone will be restarted along with new programs such as: the Brunswick deeps drilling and Margaret drilling. Drilling on the Shepherd Zone will slow during Q3 and expected to accelerate in Q4 once dedicated drill platforms at the base of the mine are developed.

At Björkdal, the Lake Zone and Mine Zone extension drilling was completed in Q2 2021. Linking these targets is the Central Zone extension program which began in Q2. The Lake Zone North Skarn drilling also began in Q2 following from Skarn intercepts realised within the Lake Zone extension drilling. At Aurora two extensional drilling programs commenced aimed at extension of the orebody up-dip and to the east. A regional drilling project was also conducted in Q2 2021 focused on obtaining samples for geochemical analysis of till and bedrock within three areas around the Björkdal Mine.

The central zone drilling is expected to be complete in Q3 with Aurora extensional programs continuing through the second half of 2021. Drilling to delineate the veining further to the north of Aurora is also expected to commence in Q3 2021.

As at December 31, 2020, Mandalay's total Proven and Probable Mineral Reserves totalled 799,000 ounces of gold and 21,900 tonnes of antimony, compared to 752,000 ounces of gold and 17,800 tonnes of antimony at year-end 2019, a 6% and 12% increase, respectively year-on-year. These Mineral Reserves were added at an exploration cost of $23.24 per gold equivalent ounce.

COVID-19 Pandemic

The COVID-19 pandemic is present in all countries in which the Company operates, with cases being reported in Canada, Australia, Sweden and Chile. At this time, the Company has activated business continuity practices across all sites. Management will continue to monitor developments across all jurisdictions and will adjust its planning as necessary.

The Company is not able to estimate the duration of the pandemic and potential impact on its business if disruptions or delays in our operations occur or our ability to transfer our products to market. In addition, a severe prolonged economic downturn could result in a variety of risks to the business, including a decreased ability to raise additional capital when needed on acceptable terms, if at all. As the situation continues to evolve, the Company will continue to closely monitor operating conditions in the countries we operate and respond accordingly.

Outlook

Mandalay expects to see continued improvements in production and costs from Costerfield and Björkdal in 2021. At Costerfield, the Company expects production increases throughout 2021 as it increases production from the high-grade Youle vein. Mandalay also expects production and cost improvements at Björkdal in 2021, as the higher-grade Aurora zone and surrounding veins increase production allowing for a higher feed grade to be processed.

The Company currently expects its strong operating performance to continue, however, the COVID-19 pandemic creates uncertainties as experienced across the mining industry. At this time, the Company is maintaining its 2021 production guidance, but will continue to closely monitor the situation in both Australia and Sweden and will make adjustments, as necessary.

The Company's 2021 production and cost guidance are below (please see press release dated January 14, 2021), and it should be noted these figures do not include production from Cerro Bayo:

	Björkdal	Costerfield	Consolidated[1]
	2021E		
Gold production (oz)	52,000-57,000	44,000-49,000	96,000-106,000
Antimony production (t)	-	2,700-3,300	2,700-3,300
Gold eq. production (oz)[1]	52,000-57,000	53,000-60,000	105,000-117,000
Cash cost, $/oz gold eq.[2]	900-1,050	675-825	800-1,000
All-in sustaining $/oz gold eq.[2,3]	1,200-1,350	950-1,100	1,100-1,350
Capex, $/million	32-36	16-20	48-56

1. Assumes average metal prices of: Au $1,860/oz, Sb $6,600/t
2. Cash cost and all-in sustaining costs are non-IFRS measures. Refer to Section 1.14 "Non-IFRS measures" for further information.
3. Consolidated costs per Au Eq. oz includes corporate overhead spending, costs associated with the trial processing of waste dumps at Cerro Bayo and total care and maintenance costs.

Mandalay's 2021 production guidance is based on:

- The strengthening Australian Dollar and Swedish Krona relative to the U.S. Dollar, which has had a negative impact on the above guidance as compared to the rates during 2020. This has resulted in an approximate 9% increase in 2021 USD guidance costs compared to 2020 average costs.
  - Average 2020 rates: AUD/USD 0.691 and USD/SEK 9.21
  - Guidance 2021 rates: AUD/USD 0.754 and USD/SEK 8.36
- The expected high capital spend at Björkdal includes $10.8 million of capital works being carried out at the tailings storage facility. This project will allow for tailings capacity through to 2029.
- Capital exploration spend forecast for both sites is:
  - Costerfield: $6.2 million
  - Björkdal: $4.0 million

1.1 RESULTS OF OPERATIONS

Costerfield Gold-Antimony Mine, Victoria, Australia

Costerfield Financial Results

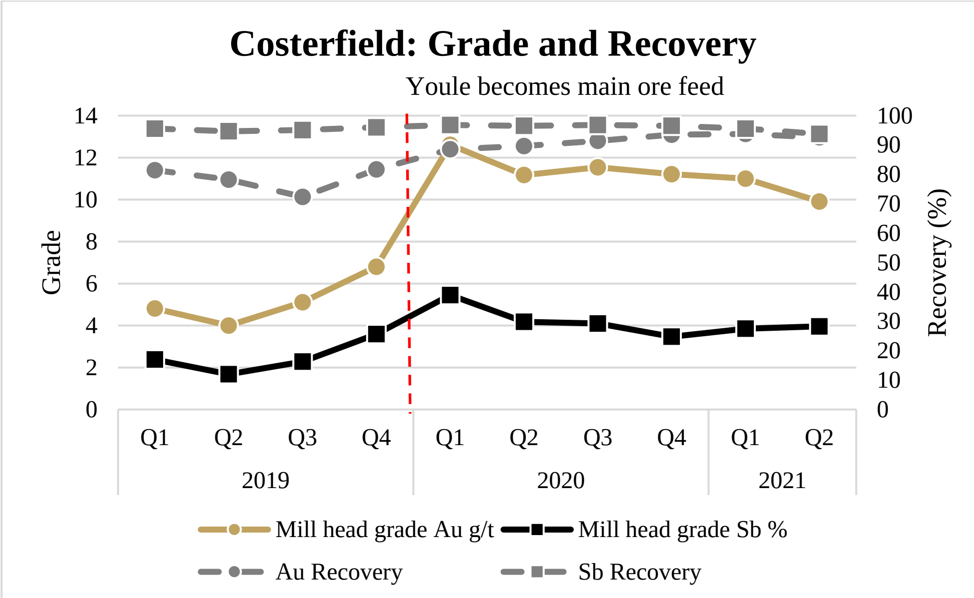
	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Revenue	23,394	22,850	55,151	43,235
Cost of sales	7,513	7,427	17,757	13,832
Income from operations (excl. depr. & depletion)	15,881	15,423	37,394	29,403
General and administrative costs(1)	275	184	479	456
Adjusted EBITDA(2,3)	15,780	15,411	37,274	29,356
Depreciation & depletion	4,179	4,663	10,009	9,608
Adjusted EBIT(3)	11,427	10,576	26,906	19,339
Unrealized loss (gain) on hedge	4,714	2,067	(4,420)	9,962
Finance costs, forex and others(3,4)	(605)	564	(547)	2,236
Income before tax	7,318	7,945	31,873	7,141
Current tax expense	4,423	924	7,634	924
Deferred tax expense (recovery)	(2,138)	1,853	2,092	4,088
Adjusted net income(3)	9,747	7,235	17,727	12,091
Consolidated net income after tax	5,033	5,168	22,147	2,129
Capital development	3,108	3,481	6,086	6,677
Property, plant and equipment purchases	1,029	716	1,930	1,497
Capitalized exploration	1,583	1,335	2,807	2,067
Total capital expenditures	5,720	5,532	10,823	10,241

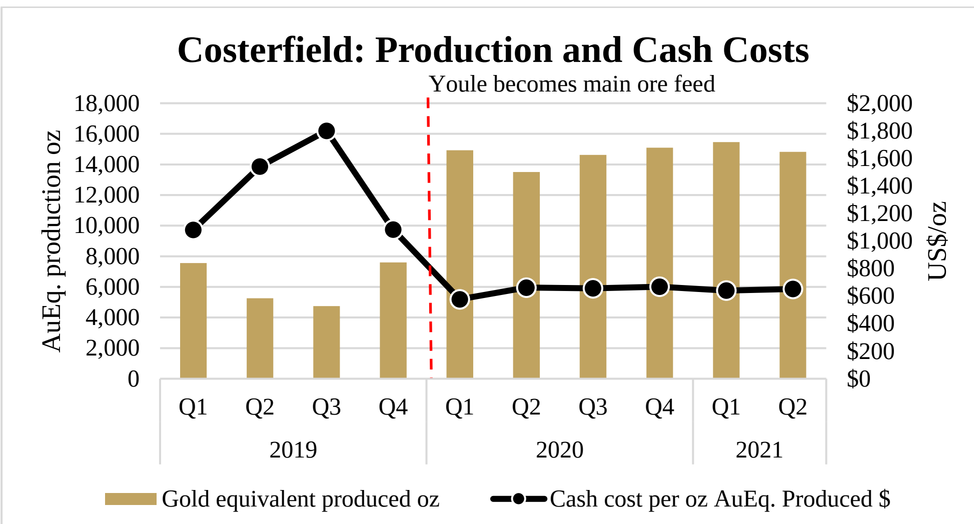
1. Includes intercompany transfer pricing costs of $174,000 and $359,000 in three months and six months ended June 30, 2021 and $172,000 and $409,000 in the corresponding period of 2020.
2. Does not include intercompany transfer pricing recharge costs.
3. Adjusted EBITDA, Adjusted EBIT and Adjusted net income (loss) are non-IFRS performance measures. Refer to Section 1.14 "Non-IFRS measures" for further information Finance costs includes realized gain on gold hedge of $413,000 million in Q2 2021, and nil in Q2 2020.
4. Others includes such items as gain/loss on disposals of properties and intercompany transfer pricing recharge for marketing fees and stock-based compensation of $671,000 and $1,248,000 for the three and six months ended June 30, 2021, and $459,000 and $873,000 for the corresponding period in 2020.

Costerfield Operating Results

		Three months ended June 30		Six months ended June 30	
		2021	2020	2021	2020
Operating development	m	1,203	1,563	2,484	3,097
Mined ore	t	40,524	37,054	85,001	73,428
Mined ore Au grade	g/t	9.43	11.32	10.22	12.58
Mined ore Sb grade	%	3.98	4.19	3.98	5.03
Mined contained Au	oz	12,291	13,481	27,931	29,695
Mined contained Sb	t	1,613	1,552	3,381	3,695
Mining cost per tonne ore	$/t	145	155	142	150
Processed ore	t	37,548	37,110	73,609	70,637
Processed ore mill head grade Au	g/t	9.91	11.17	10.44	11.86
Processed ore mill head grade Sb	%	3.96	4.18	3.91	4.78
Recovery Au	%	92.62	89.65	93.21	89.09
Recovery Sb	%	93.77	96.55	94.65	96.69
Saleable Au produced	oz	9,959	10,353	21,041	20,973
Saleable Sb produced	t	858	946	1,690	2,054
Saleable Au equivalent produced	oz	14,818	13,502	30,276	28,429
Processing cost per tonne ore	$/t	42.08	35.11	42.39	35.48
Au sold in gravity concentrate	oz	5,686	6,430	12,734	11,571
Au sold in floatation concentrate	oz	3,601	4,091	9,077	8,117
Au sold (total)	oz	9,287	10,521	21,811	19,688
Sb sold	t	644	933	1,616	1,793
Capital development metres	m	562	692	1,252	1,381
Capital development cost per metre	$/m	5,527	5,034	4,861	4,834
Cash cost per tonne ore processed [1,2]	$/t	257	254	266	255
Adjusted EBITDA per tonne ore processed [1,2]	$/t	420	415	506	416
Cash cost per oz Au equivalent produced [1,2]	$/oz	652	662	646	604
Site all-in sustaining cost per oz Au equivalent produced [1,2]	$/oz	1,009	1,025	972	935

1. Does not include intercompany transfer pricing recharge costs.
2. Cash and site all-in sustaining costs and Adjusted EBITDA are non-IFRS performance measures. Refer to Section 1.14 "Non-IFRS Measures" for further information.





Costerfield – Three Months Ended June 30, 2021 and 2020

- ***Production*** — Saleable gold production for Q2 2021 was 9,959 ounces, a 4% decrease from the 10,353 ounces produced in Q2 2020. Saleable antimony production during Q2 2021 was 858 tonnes, a 9% decrease from the 946 tonnes produced in Q2 2020. Gold equivalent production for Q2 2021 was 14,818 ounces, a 10% increase from the 13,502 gold equivalent ounces produced in Q2 2020. Processed gold grades were lower during Q2 2021 at 9.91 g/t gold as compared to 11.17 g/t gold in Q2 2020, however, the increase in tonnes processed and improved recoveries were able to offset the slight drop in gold grades. Processed antimony grades were 3.96% during Q2 2021 as compared to 4.18% in Q2 2020.

- ***Revenue*** – Costerfield's revenue for Q2 2021 was $23.4 million, a 2% increase from $22.9 million in Q2 2020. This was mainly due to the support of higher realized gold and antimony prices. Gold equivalent ounces sold decreased by 5% to 12,934 ounces in Q2 2021, as compared to 13,626 ounces in Q2 2020.

- ***Operating Costs*** – Cost of sales excluding depletion and depreciation at Costerfield was $7.5 million for Q2 2021, compared to $7.4 million during Q2 2020 which was broadly the same.

- ***Income from Operations*** – Income from mine operations before depreciation and depletion at Costerfield during Q2 2021 was $15.9 million, adjusted EBITDA was $15.8 million, adjusted net income was $9.7 million and net income after tax was $5.0 million. Comparable results for Q2 2020 were income from mine operations before depreciation and depletion of $15.4 million, adjusted EBITDA was $15.4 million, adjusted net income was $7.2 million and net income after tax of $5.2 million.

- ***Depletion and Depreciation*** – Depletion and depreciation expense at Costerfield increased to $4.2 million in Q2 2021, compared to $4.7 million for Q2 2020 mainly due to higher unit depletion in Q2 2021.

- ***Cost per Ounce*** – Cash cost per ounce of saleable gold equivalent produced at Costerfield in Q2 2021 was $652 compared to $662 in Q2 2020. All-in sustaining cost per ounce of saleable gold equivalent produced in Q2 2021 was $1,009 compared to $1,025 in Q2 2020. These per ounce costs were lower as compared to Q2 2020 were due to lower cash costs.

- ***Capital Expenditures*** – Capital expenditures in Q2 2021 totaled $5.7 million ($3.1 million in capital development costs, $1.6 million for exploration, and $1.0 million in property, plant and equipment) as compared to the $5.5 million ($3.5 million in capital development costs, $1.3 million for exploration, and $0.7 million for property, plant and equipment) during Q2 2020. The increased capital expenditures in Q2 2021 was due to an increase in exploration activities and the purchase of mining equipment in Q2 2021.

Costerfield – Six Months Ended June 30, 2021 and 2020

- ***Production*** — Saleable gold production for the first half year of 2021 was 21,041 ounces, a slight increase from the 20,973 ounces produced in the first half year of 2020. Saleable antimony production for the six months ending June 30, 2021, was 1,690 tonnes, a 18% decrease from the 2,054 tonnes produced during the same period in 2020. Gold equivalent production for the six months ending June 30, 2021, was 30,276 ounces, a 6% increase from the 28,429 gold equivalent ounces produced in the same period in 2020. Processed gold grades were lower during first half year of 2021 at 10.44 g/t gold as compared to 11.86 g/t gold during the same period in 2020, however, an increase in tonnes processed and improved recoveries were able to offset the slight drop in gold grades. Processed antimony grades were 3.91% during the first half year of 2021 as compared to 4.78% in the same period in 2020.

- ***Revenue*** – Costerfield's revenue for the six months ending June 30, 2021, was $55.2 million, a 28% increase from $43.2 million in the six months ending June 30, 2020. This was mainly due to an increase in gold equivalent ounces sold and the support from higher realized gold and antimony prices. Gold equivalent ounces sold increased by 17% to 30,571 ounces in the six months ending June 30, 2021, as compared to 26,137 ounces in the six months ending June 30, 2020.

- ***Operating Costs*** – Cost of sales excluding depletion and depreciation at Costerfield was $17.8 million for the six months ending June 30, 2021, compared to $13.8 million for the same period of 2020. This increase is mainly due to the decrease in the value of inventory build-up during Q2 2021, as compared to Q2 2020 and increase in mining costs.

- ***Income from Operations*** – Income from mine operations before depreciation and depletion at Costerfield during the six months ending June 30, 2021, was $37.4 million, adjusted EBITDA was $37.3 million, adjusted net income was $17.7 million and net income after tax was $22.1 million. Comparable results for the six months ending June 30, 2020, were income from mine operations before depreciation and depletion of $29.4 million, adjusted EBITDA was $29.4 million, adjusted net income was $12.1 million and net income after tax of $2.1 million.

- ***Depletion and Depreciation*** – Depletion and depreciation expense at Costerfield increased to $10.0 million in the six months ending June 30, 2021, compared to $9.6 million for the same period in 2020 mainly due to higher unit depletion in the current quarter.

- ***Cost per Ounce*** – Cash cost per ounce of saleable gold equivalent produced at Costerfield in the six months ending June 30, 2021, was $646 compared to $604 in the six months ending June 30, 2020. All-in sustaining cost per ounce of saleable gold equivalent produced in the six months ending June 30, 2021, was $972 compared to $935 in the six months ending June 30, 2020. These per ounce costs were higher as compared to Q2 2020 due to higher cash costs and sustaining capital expenditures.

- ***Capital Expenditures*** – Capital expenditures in the first six months ending June 30, 2021 totaled $10.8 million ($6.1 million in capital development costs, $2.8 million for exploration, and $1.9 million in property, plant and equipment) as compared to the $10.2 million ($6.7 million in capital development costs, $2.0 million for exploration, and $1.5 million for property, plant and equipment) during the first six months of 2020. The increased capital expenditures were due to an increase in exploration activities and the purchase of mining equipment in the current period.

Björkdal Gold Mine, Sweden

Björkdal Financial Results

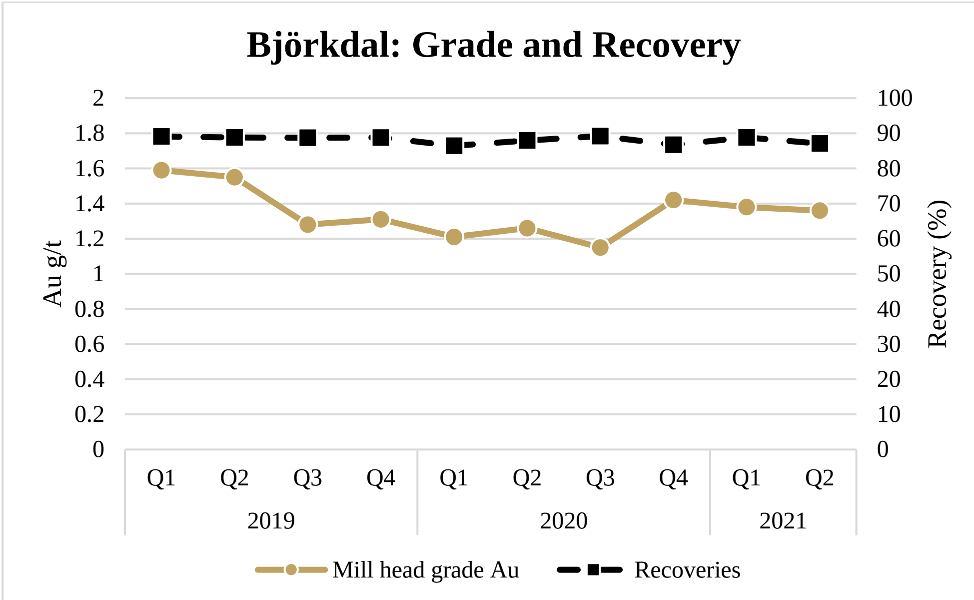
	Three months ended June 30		Six months ended June 30	
	2021	**2020**	**2021**	**2020**
Revenue	22,547	19,485	43,363	40,666
Cost of sales	16,046	12,307	31,097	24,734
Income from operations (excl. depreciation & depletion)	6,501	7,178	12,266	15,932
General and administrative costs (1)	140	163	308	545
Adjusted EBITDA (2,4)	6,501	7,178	12,266	15,929
Depreciation & depletion	4,776	3,972	9,762	7,415
Adjusted EBIT (3)	1,585	3,043	2,196	7,972
Hedging loss (gain)	1,603	13,299	(9,500)	13,593
Finance costs, foreign exchange and others(3)	1,224	(1,176)	5,476	(743)
Income (loss) before tax	(1,242)	(9,080)	6,220	(4,878)
Current tax expense	-	868	-	1,334
Deferred tax expense (recovery)	(162)	97	1,283	175
Adjusted net income (loss) after tax and before special items (4)	523	3,254	(4,563)	7,206
Consolidated net income (loss) after tax	(1,080)	(10,045)	4,937	(6,387)
Capital development cost	2,727	2,268	5,120	4,479
Capital purchases	4,277	2,452	8,122	4,779
Capitalized exploration	601	338	1,058	984
Total capital expenditure (5)	7,605	5,058	14,300	10,242

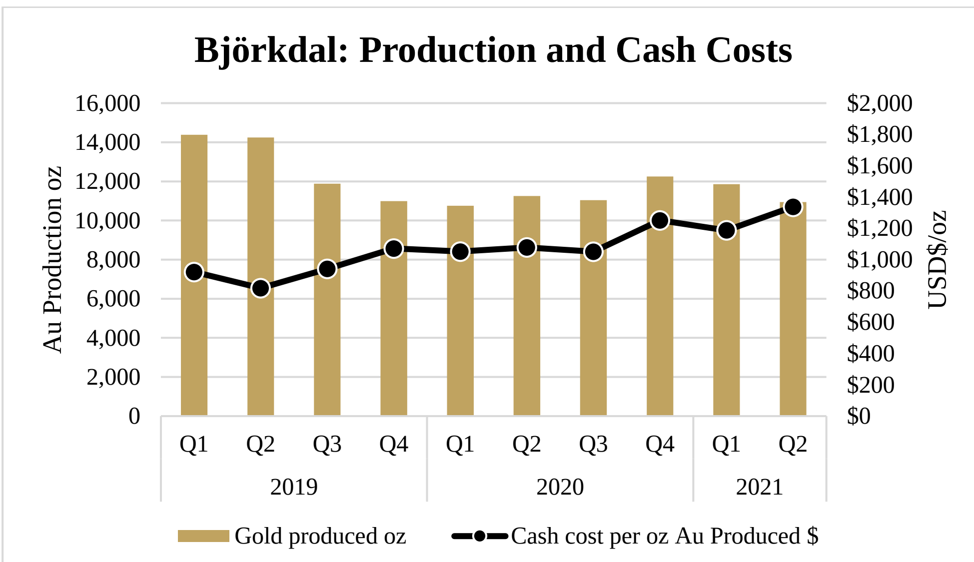
1. Includes intercompany transfer pricing recharge costs of $140,000 and $308,000 for three and six months ended June 30, 2021 and $163,000 and $542,000 for the same period of 2020.
2. Does not include intercompany transfer pricing recharge costs.
3. Finance costs includes realized loss on gold hedge of $1,248,000 million for Q2 2021, compared to nil in 2020. Others includes such items as intercompany transfer pricing recharge for marketing fees and stock-based compensation of $459,000 and $882,000 for the three and six months ending June 30, 2021, and $394,000 and $676,000 for the corresponding period of 2020.
4. Income from operations (excl. depreciation & depletion) and Adjusted EBITDA, Adjusted EBIT and Adjusted net income are non-IFRS performance measures. Refer to Section 1.14 "Non-IFRS measures" for further information.
5. Includes capitalized depreciation on equipment.

Björkdal Operating Results

		Three months ended June 30		Six months ended June 30	
		2021	**2020**	**2021**	**2020**
Underground mining					
Operating development	m	1,563	1,339	3,053	2,622
Mined ore	t	270,954	268,096	539,715	487,065
Mined ore Au grade	g/t	1.36	1.37	1.41	1.42
Mined contained Au	oz	11,822	11,846	24,430	22,253
Mining cost per tonne ore	$/t	25.25	20.91	25.63	22.72
Processed ore	t	317,505	320,736	626,797	648,562
Processed ore mill head grade Au	g/t	1.26	1.26	1.32	1.24
Recovery Au	%	87.09	87.96	87.94	87.19
Saleable Au produced	oz	10,941	11,250	22,796	22,000
Processing cost per tonne ore	$/t	10.54	9.01	10.39	7.91
Au sold	oz	12,132	11,290	24,208	23,055
Capital development (underground)	m	854	836	1,629	1,676
Capital development cost per metre	$/m	2,969	2,528	2,973	2,521
Cash operating cost per tonne ore processed(1)	$/t	46.09	37.81	45.79	36.14
Adjusted EBITDA per tonne ore processed(1,2)	$/t	20.48	22.38	19.57	24.56
Cash cost per oz Au produced(1,2)	$/oz	1,338	1,078	1,259	1,065
Site all-in sustaining cost per oz Au produced(1,2)	$/oz	1,766	1,352	1,647	1,383

1. Does not include intercompany transfer pricing recharge costs.
2. Adjusted EBITDA, cash and site all-in sustaining costs are non-IFRS performance measures. Refer to Section 1.14 "Non-IFRS Measures" for further information.





Björkdal - Three Months Ended June 30, 2021 and 2020

- ***Production*** – Saleable gold production at Björkdal in Q2 2021 was 10,941 ounces, a 3% decrease from the 11,250 ounces produced in Q2 2020 due to a decrease in tonnes processed.

- ***Revenue*** – Björkdal's revenue for Q2 2021 was $22.5 million, an increase of 15% from $19.5 million in Q2 2020. This increase was due to an increase in gold ounces sold with 12,132 ounces in Q2 2021 as compared to 11,290 gold ounces in Q2 2020.

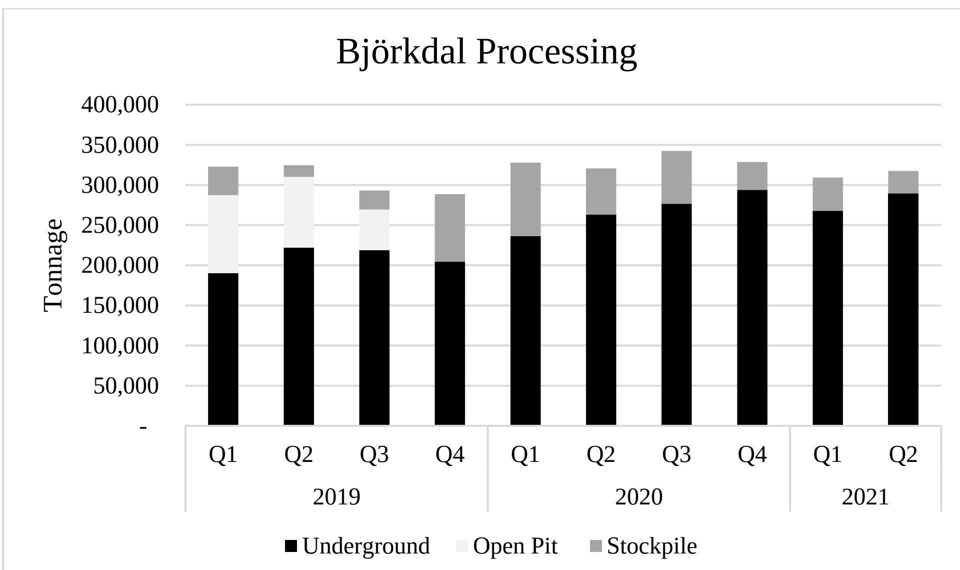
- ***Operating Costs*** – Cost of sales excluding depletion and amortization at Björkdal was $16.0 million in Q2 2021, higher than $12.3 million for Q2 2020. The increase in operating costs was mainly due to increased tonnage hauled from the underground and strengthening of the Swedish Krona against the U.S. Dollar.

- ***Income from Operations*** – Income from mine operations before depreciation and depletion at Björkdal for Q2 2021 was $6.5 million, adjusted EBITDA was $6.5 million, adjusted net income was $0.5 million and net loss after tax was $1.1 million. Comparable results for Q2 2020 were income from mine operations before depreciation and depletion of $7.2 million, adjusted EBITDA of $7.2 million, adjusted net income was $3.3 million and net loss after tax of $10.0 million.

- ***Depletion and Depreciation*** – Depletion and depreciation expense at Björkdal increased to $4.8 million in Q2 2021, compared to $4.0 million for the same period in 2020 mainly due to an increase in unit costs in the current period.

- ***Cost per Ounce*** – Cash cost per ounce of saleable gold produced at Björkdal for Q2 2021 was $1,338, 24% higher as compared to Q2 2020 of $1,078. All-in sustaining cost per ounce of saleable gold produced for Q2 2021 was $1,766, 31% higher than the $1,352 during Q2 2020. These per ounce costs were higher in Q2 2021 as compared to Q2 2020, primarily due to higher costs of production, strengthening Swedish Krona against the U.S. Dollar and a decrease in gold production ounces. We expected to see a decrease of these higher unit costs in the coming quarters as we ramp up production in the lower, higher grade levels of Aurora.

- ***Capital Expenditures*** – Capital expenditures at Björkdal for Q2 2021 totaled $7.6 million ($2.7 million in mine development costs, $0.6 million for exploration, and $4.3 million in property, plant and equipment) compared with $5.1 million ($2.3 million in mine development costs, $0.3 million for exploration, and $2.5 million for property, plant and equipment) during Q2 2020.



Björkdal – Six months ended June 30, 2021 and 2020

- ***Production*** – Saleable gold production at Björkdal for the six months ending June 30, 2021, was 22,796 ounces, a slight increase from the 22,000 ounces produced in the corresponding period in 2020. The Company is focusing on increasing underground ore tonnage as a percentage of overall mill feed. As shown in the above table, as this trend continues, we expect an improvement in processed gold grades due to the declining feed of the low-grade stockpile ore through the mill.

- ***Revenue*** – Björkdal's revenue for the six months ending June 30, 2021, was $43.4 million, higher than the $40.7 million generated in the same period of 2020. This was due to higher realized gold prices in 2021 compared to 2020 and higher sales.

- ***Operating Costs*** – Cost of sales excluding depletion and amortization at Björkdal was $31.1 million for the six months ending June 30, 2021, higher than $24.7 million during the same period of 2020. The increase in operating costs were mainly due to the strengthening of Swedish Krona against U.S. Dollar between the comparative periods.

- ***Income from Operations*** – Income from mine operations before depreciation and depletion at Björkdal for the six months ending June 30, 2021, was $12.3 million, adjusted EBITDA was $12.3 million, adjusted net loss was $4.6 million and net income after tax was $4.9 million. Comparable results for the same period of 2020 were income from mine operations before depreciation and depletion of $15.9 million, adjusted EBITDA of $15.9 million, adjusted net income of $7.2 million and net loss after tax was $6.4 million.

- ***Depletion and Depreciation*** – Depletion and depreciation expense at Björkdal increased to $9.8 million in the six months ending June 30, 2021, compared to $7.4 million for the same period in 2020 due to an increase in per unit depletion rate in 2021 compared to 2020.

- ***Cost per Ounce*** – Cash cost per ounce of gold produced at Björkdal for the six months ending June 30, 2021, was $1,259, 18% higher than the cash cost per ounce of gold produced in the same period of 2020 of $1,065. All-in sustaining cost per ounce of gold produced for the six months ending June 30, 2021, was $1,647, 19% higher than the all-in sustaining cost per ounce of gold produced in the same period of 2020 of $1,383. These per ounce costs were higher in 2021 compared to 2020 primarily due to increases in costs of production and the strengthening Swedish Krona against the U.S Dollar.

- ***Capital Expenditures*** – Capital expenditures at Björkdal for the six months ending June 30, 2021, totaled $14.3 million ($5.1 million in mine development costs, $1.1 million for exploration, and $8.1 million in property, plant and equipment) compared with $10.2 million ($4.4 million in mine development costs, $1.0 million for exploration, and $4.8 million for property, plant and equipment) during the same period of 2020. The increase in capital expenditures was due primarily to higher amounts spent on mining equipment and tailings spend.

Non-Core Properties

<u>Cerro Bayo</u>

On October 8, 2019, the Company entered into a binding option agreement with Equus Mining for the sale of the Cerro Bayo mine in Chile. See press release dated October 8, 2019 for further details. As at June 30, 2021, Equus had not exercised their option. Cerro Bayo was under care and maintenance until February 20, 2021.

In 2020, a sampling program was carried out to establish areas within the waste dumps that contain sufficiently graded mineralization that could be processed profitably. During Q1 2021, the Company restarted the processing facility at Cerro Bayo and commenced the trial processing of mineralized waste dump materials. The first sale of concentrate occurred at the start of April 2021, and the Company intends to continue the processing of the Cerro Bayo waste dumps through the remainder of 2021.

Cerro Bayo Financial Results

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Revenue	5,411	-	5,411	-
Cost of sales	3,576	-	3,695	-
Income from operations (excl. depreciation & depletion)	1,835	-	1,716	-
General and administrative costs [1]	36	41	31	85
Adjusted EBITDA [2,4]	1,835	-	1,759	8
Depreciation & depletion	-	142	-	311
Adjusted EBIT [3]	1,799	(183)	1,685	(396)
Care and maintenance	-	488	383	1,093
Revision of reclamation liability	-	(5,783)	-	(5,783)
Finance costs, foreign exchange and others[3]	208	335	(248)	523
Income before tax	1,591	4,777	1,550	3,771
Current tax expense	-	5	-	5
Adjusted net income (loss) after tax and before special items [4]	1,591	(1,499)	1,167	(3,110)
Consolidated net income after tax	1,591	4,772	1,550	3,766
Total capital expenditure (Capital purchases)	40	26	40	26

1. Includes intercompany transfer pricing recharge costs of $36,000 and $74,000 for three and six months ended June 30, 2021 and $41,000 and $93,000 for the same period of 2020.
2. Does not include intercompany transfer pricing recharge costs.
3. Others includes such items as intercompany transfer pricing recharge for marketing fees and stock-based compensation of $109,000 and $110,000 for the three and six months ending June 30, 2021, and $nil for the corresponding period of 2020.
4. Income from operations (excl. depreciation & depletion) and Adjusted EBITDA, Adjusted EBIT and Adjusted net income are non-IFRS performance measures. Refer to Section 1.14 "Non-IFRS measures" for further information.

Cerro Bayo Operating Results

		Three months ended June 30		Six months ended June 30	
		2021	2020	2021	2020
Processed ore	t	128,905	-	183,029	-
Processed ore mill head grade Au	g/t	0.53	-	0.52	-
Processed ore mill head grade Ag	g/t	27.67	-	29.11	-
Recovery Au	%	83.25	-	83.32	-
Recovery Ag	%	77.25	-	77.99	-
Saleable Au produced	oz	1,807	-	2,531	-
Saleable Ag produced	oz	87,062	-	130,761	-
Saleable Au equivalent produced	oz	3,084	-	4,447	-
Processing cost per tonne ore	$/t	15.51	-	16.77	-
Au sold	oz	1,728	-	1,728	-
Ag sold	oz	90,024	-	90,024	-
Au equivalent sold	oz	3,049	-	3,049	-

During Q2 2021, the Company spent nothing on care and maintenance activities at Cerro Bayo, compared to $0.5 million in Q2 2020.

Challacollo

On November 12, 2019, the Company announced that it had entered into a definitive agreement with Aftermath Silver Ltd. ("Aftermath") in respect of the previously announced transaction in which Aftermath will acquire Minera Mandalay Challacollo Limitada ("MMC"), which currently owns the Challacollo silver-gold project located in Region I (Tarapaca) of Chile. Pursuant to the terms of the transaction, Aftermath will purchase 100% of MMC in exchange for total consideration of up to C$10.5 million, consisting of C$7.5 million in non-contingent consideration (the "Non-Contingent Consideration") plus a 3% net smelter returns royalty on production at Challacollo, capped at C$3.0 million.

The Non-Contingent Consideration is payable as follows:

- C$1.0 million in cash payable on or before December 30, 2019 (received in Q4 2019);
- C$1.0 million in cash payable on or before December 30, 2020 (received in Q4 2020); and
- C$5.5 million in cash or shares payable on or before April 30, 2021, or, at Aftermath's option, an additional C$3.0 million in cash or shares payable on or before April 30, 2021, plus an additional C$3.0 million in cash or shares payable on or before April 30, 2022.

Aftermath exercised its option to pay C$3.0 million in cash and shares by April 30, 2021, with Mandalay receiving C$1.5 million in cash and 2,054,794 shares of Aftermath with a fair value of C$0.73 per share. Aftermath is expected to complete the acquisition by April 30, 2022, by paying Mandalay C$3.0 million in cash or shares at their option. At June 30, 2021, the Company has classified the assets and liability held at Challacollo as held for sale.

Lupin

The Company had less than $0.1 million care and maintenance spending at Lupin during Q2 2021 and for Q2 2020. Reclamation spending at Lupin was $0.8 million during Q2 2021 and $1.1 million for the six months to June 30, 2021, compared to $5.1 million and $5.3 million, respectively for the corresponding periods of 2020. Lupin is currently in the process of final closure and reclamation activities funded by progressive security reductions. Restricted cash as at June 30, 2021, of $11.7 million stands as a deposit against, and in excess of, the present value of reclamation cost obligations ($9.2 million).

La Quebrada

The Company continues to evaluate options for this non-core asset. Care and maintenance spending at La Quebrada was less than $0.1 million during Q2 2021, which was similar for the comparative period in 2020.

1.2 SECOND QUARTER FINANCIAL RESULTS

Summary Financial Performance

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Revenue	51,352	42,335	103,925	83,901
Cost of sales	27,135	19,734	52,549	38,566
Income from operations (excl. depr. and depletion)	24,217	22,601	51,376	45,335
Depreciation and depletion	8,955	8,811	19,771	17,406
Income from mining operations	15,262	13,790	31,605	27,929
General and administrative costs	1,082	1,330	2,179	3,161
Adjusted EBITDA(1)	23,135	21,271	49,197	42,174
Finance costs	1,816	2,989	4,170	8,608
Unrealized (gain) loss on hedge	6,685	14,249	(13,552)	23,555
Tax, forex and others(2)	(1,234)	(6,086)	(2,491)	(7,874)
Consolidated income before tax	6,913	1,308	41,299	479
Current tax expense	4,423	1,797	7,634	2,263
Deferred tax expense (recovery)	(2,300)	1,950	3,375	4,263
Adjusted net income (1)	11,475	7,632	17,121	12,818
Consolidated net income (loss)	4,790	(2,439)	30,290	(6,047)
Adjusted income per share(1)	0.13	0.08	0.19	0.14
Consolidated income (loss) per share	0.05	(0.03)	0.33	(0.07)
Total assets	310,841	260,298	310,841	260,298
Total liabilities	151,852	155,024	151,852	155,024
Total equity	158,989	103,775	158,989	103,775
Capital expenditures – Consolidated(3)				
Underground capital development & open pit pre-strip	5,835	5,749	11,206	11,156
Property, plant and equipment purchases	5,306	3,168	10,052	6,276
Capitalized exploration	2,437	1,649	4,346	3,171
Total capital expenditures	13,578	10,566	25,604	20,603

1. Adjusted EBITDA, adjusted net income (loss) and adjusted income (loss) per share are non-IFRS performance measures. Refer to Section 1.14 "Non-IFRS Measures" for further information.
2. Others includes such items as share based compensation and (loss)/gain on financial instruments, if any.
3. Includes capitalized spend from non-operating sites.

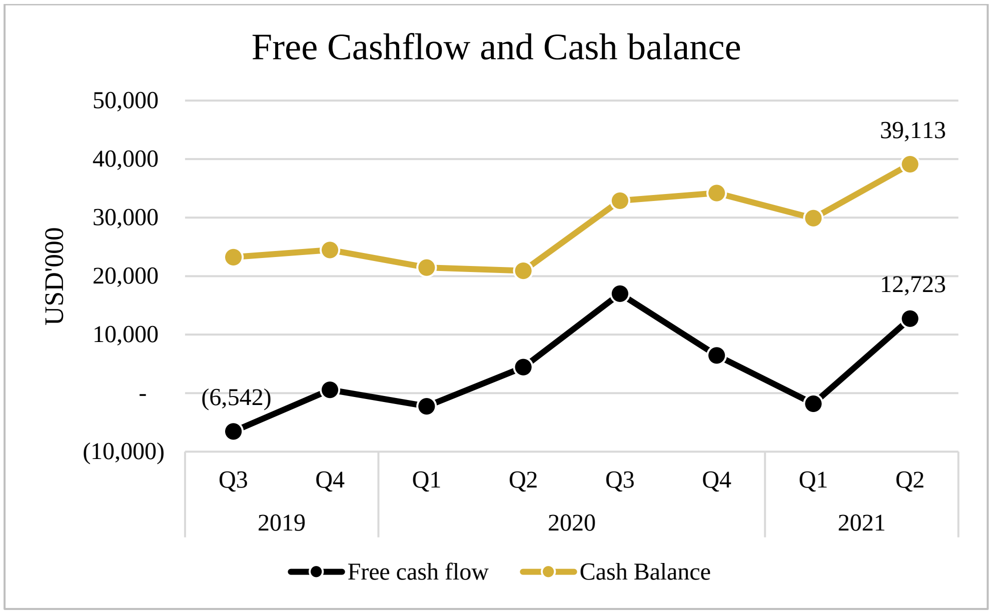
Summary Balance Sheet

	As at June 30, 2021	As at December 31, 2020
	$'000	**$'000**
Cash and cash equivalents	39,113	34,206
Inventories, accounts rec. and other current assets	60,769	51,403
Assets held for sale	692	-
Total current assets	**100,574**	**85,609**
Property, plant and equipment	196,770	197,614
Reclamation deposits and other non-current assets	13,497	18,061
Total assets	**310,841**	**301,284**
Syndicated Facility – *current*	15,111	15,111
Other current liabilities	60,577	59,168
Liabilities held for sale	247	-
Total current liabilities	**75,935**	**74,279**
Syndicated Facility – *non-current*	34,658	44,655
Non-current liabilities	41,259	46,571
Equity attributable to common shareholders	158,989	135,779
Total equity and liability	**310,841**	**301,284**

Summary Cash flow

The table below summarizes the Company's cash flow for the three and six months ended June 30, 2021 and 2020 and reconciles free cash flow to reported net cash flows from (used in) operating activities for those periods. See Section 1.14 "Non-IFRS Measures" for more information.

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
	$'000	**$'000**	**$'000**	**$'000**
Net cash flows from operating activities	**26,575**	**15,072**	**37,297**	**22,868**
Capital expenditures	(13,351)	(10,269)	(25,351)	(19,977)
Lease payments	(501)	(368)	(1,036)	(700)
Free cash flow	**12,723**	**4,435**	**10,911**	**2,191**
Net receipt (payment) from reclamation deposits	(849)	(500)	1,070	547
Proceeds from sale of non-core assets	1,403	-	1,847	-
Net repayment on borrowings	(3,619)	(10,195)	(6,843)	(5,435)
Payment of gold derivative contracts	(573)	-	(2,059)	-
Amount transferred to escrow	-	5,043	-	-
Shares issued for cash	12	16	24	16
Effects of exchange rate changes	125	662	(43)	(866)
Net cash flow	9,222	(539)	4,907	(3,547)
Cash/cash equivalents, end of period	**39,113**	**20,915**	**39,113**	**20,915**



Adjusted EBITDA, Adjusted EBIT and Adjusted Net Income Reconciliation to Net Income

The table below reconciles adjusted EBITDA, adjusted EBIT and adjusted net income to reported net income for the three and six months ended June 30, 2021 and 2020. See Section 1.14 "Non-IFRS Measures" for more information.

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
	$'000	$'000	$'000	$'000
Consolidated net income (loss)	4,790	(2,439)	30,290	(6,047)
Add: Special items				
Reversal of reclamation liability	-	(5,783)	-	(5,783)
Fair value loss (gain) on fin. instruments – hedging	6,685	15,366	(13,552)	23,555
Care and maintenance costs	-	488	383	1,093
Adjusted net income	**11,475**	**7,632**	**17,121**	**12,818**
Add/less: Non-cash and finance costs				
Depletion and depreciation	8,955	8,811	19,771	17,406
(Gain) loss on disposal of PPE	(127)	8	(571)	8
Share based compensation expense	177	255	437	367
Interest and finance charges	1,816	2,989	4,170	8,608
Fair value adjustments gain	-	(1,117)	-	(4,077)
Current tax expense	4,423	1,797	7,634	2,263
Deferred tax (recovery) expense	(2,300)	1,950	3,375	4,263
Foreign exchange (gain) loss	(1,159)	(915)	(2,562)	868
Interest and other income	(125)	(139)	(178)	(350)
Adjusted EBITDA	**23,135**	**21,271**	**49,197**	**42,174**
Depletion and depreciation	8,955	8,811	19,771	17,406
Adjusted EBIT	**14,180**	**12,460**	**29,426**	**24,768**

Cash Cost and All-in Sustaining Cost Reconciliation to Cost of Sales:

The table below reconciles cash cost, all-in sustaining cost to reported cost of sales for the three and six months ended June 30, 2021 and 2020. Refer to Section 1.14 "Non-IFRS Measures" for further information.

	Three months ended June 30, 2021	Three months ended June 30, 2020(1)	Six months ended June 30, 2021	Six months ended June 30, 2020(1)
	$'000	$'000	$'000	$'000
Cost of sales, excluding depletion and depreciation	**27,135**	**19,734**	**52,549**	**38,566**
Add:				
General and administrative costs	101	12	77	47
Less:				
Change in inventory	1,286	1,911	1,938	3,138
Royalties	(837)	(595)	(1,559)	(1,152)
Total cash cost	**27,685**	**21,062**	**53,005**	**40,599**
Saleable Au equivalent produced (oz)	28,843	24,752	57,519	50,429
Cash cost per oz gold produced ($)	**960**	**851**	**922**	**805**

	Three months ended June 30, 2021	Three months ended June 30, 2020(1)	Six months ended June 30, 2021	Six months ended June 30, 2020(1)
	$'000	$'000	$'000	$'000
Total Cash cost	**27,685**	**21,062**	**53,005**	**40,599**
Add:				
General and administrative costs	982	1,318	2,103	3,114
Capital development	5,835	5,749	11,207	11,156
Capital purchases – sustaining	2,645	1,500	5,058	6,302
Capital exploration – infill drilling	696	125	918	158
Royalties	837	595	1,559	1,152
Accretion on rehabilitation provisions	25	89	27	230
All-in sustaining cost	**38,705**	**30,438**	**73,877**	**62,711**
Saleable Au equivalent produced (oz)	28,843	24,752	57,519	50,429
All-in sustaining cost per oz gold produced ($)	**1,342**	**1,230**	**1,284**	**1,244**

1. Cash and all-in sustaining costs are non-IFRS measures. The Company has restated consolidated cash cost to exclude corporate level general and administrative expenses in the current and comparative periods. Refer to Section 1.14 "Non-IFRS Measures" for further information

Consolidated Financial Results - Three Months Ended June 30, 2021 and 2020

- ***Revenue*** – Consolidated revenue for Q2 2021 was $51.4 million, 21% higher than the $42.3 million in Q2 2020. Consolidated gold equivalent ounces sold increased slightly to 28,115 ounces in Q2 2021 compared to

24,916 ounces in Q2 2020. This increase in gold ounces sold and the support from higher realized metal prices between the comparative quarters resulted in higher revenue.

- ***Operating Costs*** – Consolidated cost of sales excluding depletion and amortization was $27.1 million for Q2 2021 compared to $19.7 million for Q2 2020. The increase in Q2 2021 costs was mainly due to relative foreign exchange movements, increased mining rates at both sites and the commencement of the trial processing at Cerro Bayo.

- ***Income from Operations*** – Consolidated income from mine operations before depreciation and depletion for Q2 2021 was $24.2 million, adjusted EBITDA was $23.1 million, adjusted net income was $11.5 million and net income after tax was $4.8 million. Comparable results for Q2 2020 were income from mine operations before depreciation and depletion of $22.6 million, adjusted EBITDA of $21.3 million, adjusted net profit of $7.6 million and a net loss after tax of $2.4 million.

- ***Depletion and Depreciation*** – Depletion and depreciation expense of $8.9 million in Q2 2021 was almost in line with $8.8 million in Q2 2020.

- ***Cost per Ounce*** – Consolidated cash cost per ounce of saleable gold equivalent produced for Q2 2021 was $960, 13% higher than Q2 2020 of $851. Consolidated all-in sustaining cost per ounce of saleable gold equivalent produced for Q2 2021 was $1,342, 9% higher than Q2 2020 of $1,230. These per ounce cash costs were higher in Q2 2021 as compared to Q2 2020 due to higher costs of production and the relative strengthening of local currencies to the U.S. dollar.

- ***Capital Expenditures*** – Consolidated capital expenditures for Q2 2021, totaled $13.6 million ($5.7 million occurred at Costerfield and $7.6 million at Björkdal). By comparison, total capital expenditures, including capitalized depreciation and exploration, in Q2 2020 were $10.6 million ($5.5 million at Costerfield, $5.1 million at Björkdal). The increase in capital expenditures was due to increased exploration at Costerfield and mining equipment at both sites.

Consolidated Financial Results - Six Months Ended June 30, 2021 and 2020

- ***Revenue*** – Consolidated revenue for the six months ending June 30, 2021 was $103.9 million, a 24% increase from $83.9 million in the six months ending June 30, 2020, mainly due to increase in gold ounces sold along with higher gold prices. Consolidated gold equivalent ounces sold increased by 18% to 57,828 ounces in the six months ending June 30, 2021 compared to 49,192 ounces in the six months ending June 30, 2020.

- ***Operating Costs*** – Consolidated cost of sales excluding depletion and amortization was $52.5 million for the six months ending June 30, 2021, compared to $38.6 million for the same period of 2020. The 36% increase mainly due to foreign exchange movements, increased mining rates at both sites and the commencement of the trial processing at Cerro Bayo.

- ***Income from Operations*** – Consolidated income from mine operations before depreciation and depletion for the six months ending June 30, 2021, was $31.6 million, adjusted EBITDA was $49.2 million, adjusted net income was $17.1 million and net income after tax was $30.3 million. Comparable results for the six months ended June 30, 2020, were income from mine operations before depreciation and depletion of $27.9 million, adjusted EBITDA of $42.2 million, adjusted net income was $12.8 million and net loss after tax of $6.0 million.

- ***Depletion and Depreciation*** – Depletion and depreciation expense for the Company increased to $19.8 million in the six months ending June 30, 2021, compared to $17.4 million for the same period in 2020 mainly due to higher production.

- ***Cost per Ounce*** – Consolidated cash cost per ounce of gold equivalent produced for the six months ending June 30, 2021, was $922, 14% higher than the cash cost per ounce of gold equivalent produced in the six months ending June 30, 2020 of $805. Consolidated all-in sustaining cost per ounce of gold equivalent produced for the six months ending June 30, 2021, was $1,284, higher than the all-in sustaining cost per ounce of gold equivalent produced in the six months ending June 30, 2020 of $1,244. These per ounce costs were higher in the year to date 2021 compared to the same period in 2020 due to higher costs of production.

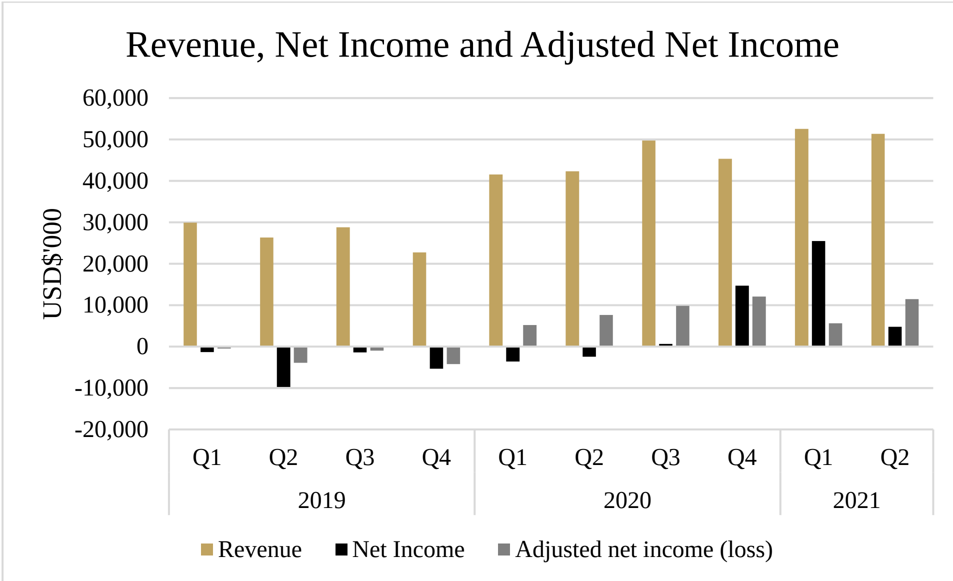
- ***Capital Expenditures*** – Consolidated capital expenditures for the six months ending June 30, 2021, totaled $25.6 million ($10.8 million occurred at Costerfield and $14.3 million at Björkdal). By comparison, total capital expenditures, including capitalized depreciation and exploration, in the six months ending June 30, 2020 were $20.6 million ($10.2 million occurred at Costerfield and $10.2 million at Björkdal). The increase in capital expenditures was primarily due to increased capital spending at Björkdal.

1.3 SUMMARY OF QUARTERLY RESULTS

The following information is derived from the Company's quarterly financial statements for the past eight quarters:

	Quarter 2 2021	**Quarter 1 2021**	**Quarter 4 2020**	**Quarter 3 2020**
	$'000	**$'000**	**$'000**	**$'000**
Revenue	51,352	52,573	45,320	49,753
Adjusted net income	11,475	5,646	12,065	9,823
Net income (loss)	4,790	25,500	14,722	635
Adjusted net income per share – Basic	0.13	0.06	0.13	0.11
Net income (loss) per share – Basic and diluted	0.05	0.28	0.16	0.01

	Quarter 2 2020	**Quarter 1 2020**	**Quarter 4 2019**	**Quarter 3 2019**
	$'000	**$'000**	**$'000**	**$'000**
Revenue	42,335	41,566	22,737	28,798
Adjusted net loss	7,632	5,186	(4,223)	(961)
Net loss	(2,439)	(3,608)	(5,328)	(1,403)
Adjusted net loss per share – Basic	0.08	0.06	(0.05)	(0.01)
Net loss per share – Basic and diluted	(0.03)	(0.04)	(0.07)	(0.02)



Financial results are impacted by the amounts of gold and antimony production, the costs associated with that production, and the prices received for metal in concentrate. Metal prices are determined using prevailing international prices for gold and antimony. The Company's products are priced in U.S. Dollars, whereas the majority of mine costs are in Australian Dollars (at Costerfield), Swedish Krona (at Björkdal) and Chilean Pesos (at Cerro Bayo). The Company's results will be impacted by exchange rate variations during the reporting periods.

Volatility in revenue and earnings over the past two years is due to the combined impact of changes in production volumes, fluctuations in metal prices and timing of concentrate shipments.

1.4 MARKETS – CURRENCY EXCHANGE RATES

The average currency exchange rates for the reporting periods are summarized in the table below:

Currency	Average Rate April 1, 2021 – June 30, 2021	Average Rate April 1, 2020 – June 30, 2020	Average Rate January 1, 2021 – June 30, 2021	Average Rate January 1, 2020 – June 30, 2020
1A$ = C$	0.9455	0.9109	0.9617	0.8970
1 A$ = US$	0.7698	0.6569	0.7712	0.6576
1 US$ = C$	1.2282	1.3866	1.2470	1.3640
1 US$ = Chilean Peso	716	823	720	814
1 US$ = SEK	8.4181	9.6902	8.4079	9.6832

Markets – Commodity Prices

Realized and market prices of gold and antimony were higher in Q2 2021 as compared to Q2 2020. The average market and realized commodity prices for the reporting period are summarized in the table below:

Commodity	Prices April 1, 2021 June 30, 2021	Prices April 1, 2020 June 30, 2020	Prices January 1, 2021 June 30, 2021	Prices January 1, 2020 June 30, 2020
Realized gold US$/oz[1]	1,793	1,714	1,777	1,720
Average gold US$/oz – London PM close (Transamine)	1,814	1,709	1,804	1,646
Realized antimony US$/tonne[1]	11,671	5,316	10,352	5,794
Average antimony US$/tonne – Rotterdam Warehouse (Metal Bulletin)	10,272	5,688	9,859	5,920
Realized silver US$/oz[1]	26.09	-	26.09	-
Average silver US$/oz – London PM close (Transamine)	26.61	16.31	26.42	16.63

1. Includes the effect of prior period smelter revenue adjustment on sales revenue and realized prices for the periods

1.5 LIQUIDITY, SOLVENCY AND USES OF CASH

As at June 30, 2021, the Company's working capital was $24.6 million compared to $11.3 million at December 31, 2020. The Company had cash and cash equivalents of $39.1 million as at June 30, 2021, as compared to $34.2 million at December 31, 2020.

On March 17, 2020, the Company entered into a credit agreement with HSBC and Macquarie providing for (i) a senior secured revolving credit facility in an aggregate amount of up to US$25 million and (ii) a senior secured term credit facility in an aggregate amount of up to US$40 million (the "Syndicated Facility"). The Syndicated Facility amends and restates the Company's previous US$40 million revolving credit facility with HSBC, which was scheduled to mature on July 24, 2020 (the "Prior Credit Facility"). The initial drawdown under the Syndicated Facility was used to repay the Prior Credit Facility in full and to fund the repurchase or redemption of the outstanding Gold Bonds. The Syndicated Facility has a term of three years and the Company repaid $6.0 million of this facility in the second half of 2020, $3.8 million in Q1 2021 and $3.8 million in Q2 2021. In addition to repaying the Existing Facility and repurchasing or redeeming Gold Bonds, proceeds from the Syndicated Facility will be used for general corporate and working capital purposes. As at June 30, 2021, the Company was in compliance with all covenants of its Syndicated Facility. For more details, please refer to Section 1.6 "Contractual commitments and contingencies".

During Q1 2020, in conjunction with the Syndicated Facility, Mandalay entered into two separate hedging programs with HSBC and Macquarie for a total of 150,000 ounces of saleable gold over the Syndicated Facility's three-year term commencing monthly in July 2020, or 50,000 ounces of saleable gold a year. This consists of a zero-cost collar U.S Dollar hedge for 75,000 ounces of saleable gold with a floor price of $1,550 per ounce and a ceiling of $1,617 per ounce; and an Australian Dollar gold forward contract for the remaining 75,000 ounces of salable gold at AU$2,390 per ounce. During Q2 2021 the Company paid $0.6 million as settlement of expired gold derivatives contracts as compared to nil in Q2 2020.

1.6 CONTRACTUAL COMMITMENTS AND CONTINGENCIES

$65 Million Syndicated Facility

On March 17, 2020, the Company entered into the Syndicated Facility, which consists of:

1. A senior secured Revolver Credit Facility in an aggregate amount of up to $25.0 million; and

2. A senior secured Term Credit Facility in an aggregate amount of up to $40.0 million.

The initial drawdown under the Syndicated Facility was used to repay the Prior Credit Facility in full and to fund the repurchase or redemption of the outstanding Gold Bonds.

The Syndicated Facility has the following financial covenants:

- Debt Service Coverage Ratio of
  - not less than 1.25:1:00 for the Rolling periods (two quarters) ending March 31, 2020, June 30, 2020, September 30, 2020 and December 31, 2020, and
  - not less than 1.50:1:00 for the Rolling periods (two quarters) ending March 31, 2021 and thereafter;
- Leverage Ratio of not more than 3.00:1.00 at all times;
- Adjusted Tangible Net Worth of not less than $95.0 million plus 50% of net income (cumulative) earned after Closing Date, less any write-downs related to non-core assets and add/less any fair value loss/gain related to the gold derivative contracts; and
- the aggregate of the Company's unrestricted cash shall not be less than $10.0 million at any time.

As at June 30, 2021, the Company was in compliance with all financial covenants on the Syndicated Facility.

The Syndicated Facility has a three-year term and the Term Credit Facility shall be reduced by $3.0 million each quarter commencing September 30, until December 31, 2020, and thereafter repaid in eight equal quarterly installments of $3.8 million starting March 31, 2021, with the final payment of $28.8 million on the maturity date, March 16, 2023, which includes repayment of the Revolver Credit Facility in full. The Syndicated Facility allows for early repayments with no associated penalties and holds security over the Company's material assets. The Syndicated Facility has an effective interest rate of 6.79%. The nominal interest rate at June 30, 2021, was 4.25%+LIBOR. On June 30, 2021, the Company made a $3.8 million debt repayment, leaving an outstanding principal value of the Syndicated Facility of $51.4 million.

In conjunction with the Syndicated Facility, Mandalay entered into two separate hedging programs with HSBC and Macquarie for a total of 150,000 ounces of saleable gold over the Syndicated Facility's three-year term commencing monthly in July 2020, or 50,000 ounces of saleable gold per year. This consists of a zero-cost U.S Dollar collar hedge for 75,000 ounces of saleable gold with a floor price of $1,550 per ounce and a ceiling of $1,617 per ounce; and an Australian Dollar gold forward contract for the remaining 75,000 ounces of saleable gold at AU$2,390 per ounce. The Company recognized an unrealized fair value loss of $6.4 million and fair value gain of $13.9 million for the three and six months ending June 30, 2021, respectively, relating to these hedges. As the gain or loss from the valuation of these hedges can be volatile due to the valuation methods involved, as well as the long-term nature of the hedge and the price of gold from time to time, the Company has classified the valuation as a special item.

During the three and six months ended June 30, 2021, the Company paid $0.6 million and $2.1 million, respectively, as settlement of expired gold derivatives contracts as compared to no amounts in the corresponding periods of 2020. Depending on certain factors, mainly the price of gold, the Company may be required to settle gold derivative contracts in the future.

Marketable securities

On April 30, 2021, the Company received 2,054,794 shares of Aftermath with a fair value of C$0.73 per share as part of the compensation under Challacollo sale agreement. The value of securities as at June 30, 2021 is $0.8 million, recorded in trade receivables and other assets. These securities are stated at fair value with any resulting gain or loss recognized in income statement. The Company recorded a fair value measurement loss of $0.4 million for the three months ended June 30, 2021, using Level 1 assumptions.

Contractual Obligations as at June 30, 2021

Contractual obligations	Payments due by year ($ '000)			Total ($ '000)
	Less than 1 year	1-3 years	4-5 years	
Syndicated Facility	15,111	36,333	-	**51,444**
Lease obligations	2,037	3,041	176	**5,254**
Other equipment loan obligations	835	687	-	**1,522**
Total contractual obligations	**17,983**	**40,061**	**176**	**58,220**

1.7 OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

1.8 TRANSACTIONS WITH RELATED PARTIES

Kingsdale Advisors ("Kingsdale") is a shareholder services and strategic advisory firm which provided the Company with corporate advisory services in the amount of $25,000 during the year ended December 31, 2020. Amy Freedman is Chief Executive Officer of Kingsdale and is on the Board of Directors of Mandalay.

1.9 FINANCIAL INSTRUMENTS

General

The Company's financial instruments consist of cash and cash equivalents, trade receivables and other assets, reclamation and other deposits, derivative financial instruments, trade and other payables. The Company also periodically uses financial instruments to protect itself against future downward fluctuations in the prices of gold and antimony and against currency exchange rate fluctuations (see gold hedging programs in Section 1.6 Contractual Commitments and Contingencies).

The Company has exposure to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The Company has credit risk which is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's accounts receivable and derivative financial instruments. The Company closely monitors extensions of credit and has not experienced significant credit losses in the past. As at March 31, 2021, the Company had no past overdue trade receivables.

The Company is subject to interest rate risk on its cash and cash equivalents and believes that its results of operations, financial position and cash flows would not be significantly affected by a sudden change in market interest rates relative to the investment interest rates due to the short-term nature of the investments. Excess cash is invested in highly rated investment securities at fixed interest rates with varying terms to maturity but generally with maturities of three months or less from the date of purchase.

The Company reports its financial statements in U.S. Dollars. However, the Company's operations are located in Australia, Sweden, and Chile, where local costs are at least partially incurred in local currencies. As a consequence, the financial results of the Company's operations as reported in U.S. Dollars are subject to changes in the value of the U.S. Dollar relative to the Australian Dollar, Chilean Peso and Swedish Krona. The Company has at times entered into foreign exchange hedges to limit exposure to exchange rate fluctuations. The Company's management assesses the Company's strategy towards its foreign exchange rate risk as needed, depending on market conditions.

1.10 OTHER MD&A REQUIREMENTS

INTERNAL CONTROLS OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS

I. Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported on a timely basis to senior management, so that appropriate decisions can be made regarding public disclosure.

II. Internal Controls and Financial Reporting

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, are responsible for establishing and maintaining adequate internal control over financial reporting. The Company evaluates the design and operational effectiveness of its internal controls over financial reporting as defined under NI 52-109 on a regular basis. The Company's controls include policies and procedures that:

- relate to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Company's management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the annual financial statements or interim financial statements.

There has been no change in the Company's design of internal controls and procedures over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting during the period covered by this MD&A.

III. Limitation of Controls and Procedures

The Company's management, including its Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur due to simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

1.11 OUTSTANDING SHARES

As of the date of this MD&A, the Company had 91,588,374 common shares issued and outstanding. The weighted average number of shares outstanding during Q2 2021 used for the calculation of per share results were 91,345,686.

In Q2 2021, the following events occurred with, or added to the total amount, of outstanding shares, stock options and restricted share units of the Company:

Omnibus Equity Incentive Plan

On May 20, 2020, the shareholders of the Company approved a rolling Omnibus Equity Incentive Plan (the "Omnibus Plan") which provides flexibility to the Company to grant equity-based incentive awards in the form of stock options, restricted share units, performance share units and deferred share units as described in the Company's Management Information Circular dated April 3, 2020. The Omnibus Plan replaced the Company's Stock Option Plan and Restricted Share Unit Plan which remain in effect with respect to stock options and restricted share units issued prior to the adoption of the Omnibus Plan, but no further stock options and restricted share units will be issued thereunder. The total number of common shares reserved for issuance pursuant to awards granted under the Omnibus Plan and all other security-based compensation outstanding under the Stock Option Plan and RSU Plan shall not exceed 10% of the issued and outstanding common shares from time to time.

Stock Options

Prior to the Omnibus Plan, during 2013, the Company had established a "rolling" stock option plan (the "Option Plan") in compliance with the TSX's policy for granting stock options. The exercise price of each stock option shall not be less than the market price of the Company's stock at the date of grant. Options generally vest over three years. Options issued until December 31, 2016, had a maximum term of five years, and thereafter have a maximum term of up to seven years.

The stock options issued and outstanding as at June 30, 2021, is as follows:

Exercise Price C$	As of June 30, 2021	As of August 11, 2021	Expiry Date
2.14	328,173	328,173	30 June, 2028
0.61	917,000	880,667	30 June, 2027
1.10	413,334	408,667	30 June, 2026
2.00	264,500	264,500	30 June, 2025
6.00	140,000	140,000	30 June, 2024
Total	**2,063,007**	**2,022,007**	

During Q2 2021, 13,333 options were exercised, while 20,000 were exercised in the comparative quarter of 2020. There were 2,063,007 options outstanding as of June 30, 2021, which could result in the issuance of shares.

Restricted Share Units

Prior to the Omnibus Plan, during 2013, the Company adopted a Restricted Share Unit Plan (the "RSU Plan") and granted Restricted Share Units ("RSUs") to certain directors. Under the RSU Plan, those directors granted RSUs receive the Company's common shares at no cost at the end of vesting periods. Each RSU entitles the holder to one common share. Commencing in 2021, non-executive directors will be granted part of their compensation in the form of DSUs, rather than RSUs, pursuant to the Omnibus Plan. The RSUs issued and outstanding as at June 30, 2021, is as follows:

	Number of RSU Awards
Balance, December 31, 2019	**316,883**
Granted	491,802
Redeemed	(135,493)
Balance, December 31, 2020	**673,192**
Granted	168,025
Redeemed	(224,540)
Forfeited	(80,212)
Balance, June 30, 2021	**536,465**
Redeemed	(20,000)
Balance, August 11, 2021	**516,465**

PSUs

The Company grants PSUs to certain employees pursuant to the Omnibus Plan. Those employees granted PSUs will receive the Company's common shares at no cost upon the achievement of certain performance goals during such performance period. Each PSU entitles the holder to one common share. The PSUs issued and outstanding as at June 30, 2021 is as follows:

	Number of PSU Awards
Balance, December 31, 2020	**-**
Granted	336,049
Balance, June 30, 2021	**336,049**
Redeemed	(40,000)
Balance, August 11, 2021	**296,049**

DSUs

Commencing in 2021, non-executive directors will be granted part of their compensation in the form of DSUs, rather than RSUs, pursuant to the Omnibus Plan. Those directors granted DSUs will receive the Company's common shares at no cost following their departure from the board. Each DSU entitles the holder to one common share. The DSUs issued and outstanding as at June 30, 2021 is as follows:

	Number of DSU Awards
Balance, December 31, 2020	**-**
Granted	140,187
Balance, June 30, 2021	**140,187**
Balance, August 11, 2021	**140,187**

1.12 QUALIFIED PERSONS

Disclosures of a scientific or technical nature in this MD&A in respect of each of the Company's material mineral resource properties were prepared by, or under the supervision of, Chris Davis (VP of Operational Geology & Exploration, MAusIMM(VP)), and a "qualified person" (as that term is defined in National Instrument 43-101).

1.13 SUBSEQUENT EVENTS

There are no material subsequent events post June 30, 2021.

1.14 NON-IFRS MEASURES

Non-IFRS performance measures are included in this MD&A because the Company believes these are useful indicators to discuss and understand performance of the Company and its operations. These performance measures do not have a meaning within IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These non-IFRS performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

Management uses adjusted EBITDA, adjusted EBIT, adjusted net income and free cash flow as measures of operating performance to assist in assessing the Company's ability to generate liquidity through operating cash flow in order to fund future working capital needs and to fund future capital expenditures, as well as in measuring financial performance from period to period on a consistent basis. Management uses adjusted net income in order to facilitate an understanding of the Company's financial performance prior to the impact of non-recurring or special items. The Company believes that these measures are used by and are useful to investors and other users of the Company's financial statements in evaluating the Company's operating and cash performance because they allow for analysis of its financial results without regard to special, non-cash and other non-core items, which can vary substantially from company to company and over different periods.

The Company presents "cash cost" and "all-in sustaining costs" metrics for its gold and antimony production because it believes that these measures assist investors and other users of the Company's financial statements in understanding the economics of the Company's gold and antimony mining activities. Management also uses these metrics to assess Company's ability to meet short and long-term financial objectives.

1. *Income from operations (excl. depreciation & depletion)* – The Company defines Income from operations (excl. depreciation & depletion) as revenue net of cost of sales excluding depreciation, depletion and any write down of assets.
2. *Adjusted EBITDA* – The Company defines adjusted EBITDA as income from mine operations, net of General and administrative, and business development costs, and before interest, taxes, non-cash charges/(income), intercompany charges and finance costs. Refer to Section 1.2 for a reconciliation between adjusted EBITDA and net income.
3. *Adjusted EBIT* – The Company defines Adjusted EBIT as Adjusted EBITDA less depletion and depreciation.
4. *Adjusted net income* – The Company defines adjusted net income as net income before special items. Special items are items of income and expense that are presented separately due to their nature and, in some cases, expected infrequency of the events giving rise to them. Starting in the first quarter of 2020, adjusted net income was calculated by excluding the impact of any loss or gain on financial instruments associated with gold hedging programs. This is because this amount can be volatile from the valuation methods involved, as well as the long-term nature of the hedge and the price of gold from time to time. Refer to Section 1.2 for a reconciliation between adjusted net income and net income.

5. *Gold equivalent ounces* - Gold equivalent ounces is calculated by multiplying the saleable quantities of gold and antimony in the period by the respective average market price of the commodities in the period, adding the two amounts to get "total contained value based on market price", and then dividing that total contained value by the average market price of gold in the period. Average Au price in the period is calculated as the average of the daily LME PM fixes in the period, with price on weekend days and holidays taken from the last business day; average Sb price in the period is calculated as the average of the high and low Rotterdam warehouse prices for all days in the period, with price on weekend days and holidays taken from the last business day, with price on weekend days and holidays taken from the last business day. The source for all prices is www.metalbulletin.com.
6. *Site cash cost per ounce of saleable gold equivalent produced* – For all sites, the cash cost per ounce of saleable gold equivalent equals the total cash operating cost associated with the production of saleable equivalent ounces produced in the period divided by the saleable equivalent gold ounces produced. The cash cost excludes royalty expenses.
7. *Site all-in sustaining cost per ounce of saleable gold equivalent produced* – Site all-in sustaining costs include total cash operating costs, sustaining mining capital, royalty expense and accretion of reclamation provision. Sustaining capital reflects the capital required to maintain each site's current level of operations. For all sites, the all-in sustaining cost per ounce of saleable gold equivalent in a period equals the all-in sustaining cost divided by the saleable equivalent gold ounces produced in the period.
8. *Consolidated cash cost per ounce of gold equivalent produced* – The corporate cash cost per saleable ounce gold equivalent produced in the period equals the sum of cash costs associated with the production of the gold equivalent ounces at all operating sites in the period plus operating site overhead expense in the period divided by the total saleable gold equivalent ounces produced in the period. The cash cost excludes royalty and corporate level general and administrative expenses. This definition was updated this quarter to exclude corporate G&A expenses to better align with industry standard.
9. *Consolidated all-in sustaining cost per ounce of saleable gold equivalent produced* – The corporate all-in sustaining cost per saleable ounce gold equivalent produced in the period equals the sum of cash costs associated with the production of gold equivalent ounces at all operating sites in the period plus corporate overhead expense in the period plus sustaining mining capital, royalty expense, accretion of reclamation provision, divided by the total saleable gold equivalent ounces produced in the period. Refer to Section 1.2 for a reconciliation between consolidated cash cost per ounce and consolidated all-in sustaining cost per ounce, on the one hand, and cost of sales and consolidated cash cost per ounce, on the other hand.
10. *Free cash flow* – The Company defines free cash flow as a measure of the Corporation's ability to generate and manage liquidity. It is calculated starting with the net cash flows from operating activities (as per IFRS) and then adding capital expenditures and lease payments. Refer to Section 1.2 for a reconciliation between free cash flow and net cash flows from operating activities.