MANDALAY RESOURCES

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2021

AS OF FEBRUARY 24, 2022

CONTENTS

Cautionary Note Regarding Forward-Looking Information

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements and notes to the consolidated financial statements of Mandalay Resources Corporation ("Mandalay" or the "Company") for the year ended December 31, 2021, and 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) and Sweden (Björkdal gold mine). The Company is focused on growing its production and reducing costs to generate significant positive cashflow. Mandalay is committed to operating safely and in an environmentally responsible manner, while developing a high level of community and employee engagement.

Mandalay's mission is to create shareholder value through the profitable operation and continuing the regional exploration program, at both its Costerfield and Björkdal mines. Currently, the Company's main objectives are to continue mining the high-grade Youle vein at Costerfield, bring online the deeper Shepherd veins, both of which will continue to supply high-grade ore to the processing plant, and to extend Youle Mineral Reserves. 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. On December 1, 2021, Mandalay announced that it completed the sale of its Cerro Bayo mine in region XI, southern Chile to Equus Mining Ltd.

1.0 FINANCIAL AND OPERATING SUMMARY

Fourth Quarter 2021 Highlights:

- **Consolidated gold equivalent production of 32,362 ounces** compared to 33,121 ounces in Q3 2021, and 27,351 ounces in Q4 2020. The increase in ounces produced in Q4 2021 compared to Q4 2020 was due to the increased production at Costerfield this quarter.

- **Revenue of $72.9 million on 38,904 gold equivalent sales of ounces** compared to $52.6 million on 29,509 ounces in Q3 2021. In Q4 2020, revenue was $45.3 million from 24,742 ounces of gold equivalent sold. This increase in Q4 2021 as compared to Q4 2020 was the result of a 57% increase in gold equivalent ounces sold mainly at Costerfield. The Company's realized gold and antimony prices in Q4 2021 were $1,869 per ounce and $13,953 per tonne, respectively, while in Q4 2020 realized prices were $1,856 per ounce and $5,492 per tonne, respectively.

- **Adjusted EBITDA[1] of $40.6 million** compared to $25.1 million in Q3 2021 and $25.3 million in Q4 2020. Q4 2021 adjusted EBITDA was higher due to increased gold equivalent ounces sold mainly at Costerfield and higher realized prices of antimony.

- **Adjusted net income[1] of $22.0 million ($0.24 or C$0.30 income per share)** compared to adjusted net income of $10.1 million in Q3 2021 ($0.11 or C$0.14 income per share) and an adjusted net income of $12.1 million ($0.13 or C$0.17 income per share) in Q4 2020.

- **Consolidated net income in Q4 2021 was $15.3 million ($0.17 or C$0.21 income per share)**, compared to a consolidated net income of $9.3 million ($0.10 or C$0.13 income per share) in Q3 2021 and a consolidated net income of $14.7 million ($0.16 or C$0.21 loss per share) in Q4 2020.

- **Consolidated cash cost[1] of $836 and all-in sustaining cost[1] of $1,162 per ounce of saleable gold equivalent production** compared to $825 and $1,135 per ounce, respectively in Q3 2021. In Q4 2020 costs were $929 and $1,350 per ounce, respectively. The lower unit costs were driven by higher gold equivalent production in Q4 2021 as compared to Q4 2020.

- **Cash on hand was $30.7 million as at December 31, 2021,** compared to $29.8 million as at September 30, 2021, and $34.2 million as at December 31, 2020. This was significantly lower than expected due to shipping delays at Costerfield resulting in payments of approximately $14.8 million being deferred. The deferred payments were received in January 2022 and cash on hand as at January 31, 2022 was $47.2 million.

- **Free cash flow[1] of $7.8 million** compared to $1.3 million in Q3 2021, and $6.4 million in Q4 2020. The increase in Q4 2021 as compared to Q4 2020 was mainly due to lower capital spent. If the aforementioned $14.8 million of deferred cash from the shipping delays at Costerfield were realized in Q4 2021, the Company estimates free cash flow would have been approximately $22.6 million for the quarter. Cash flow from operating activities of $17.6 million compared to $8.2 million in Q3 2021 and $15.2 million in Q4 2020.

- **Consolidated capital expenditures of $12.3 million** compared to $12.4 million in Q3 2021 and $14.2 million in Q4 2020.

1 Adjusted EBITDA, adjusted net income, free cash flow, cash and all-in sustaining costs are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. Refer to Section 1.14 "Non-IFRS Measures" for further information.

Full-Year 2021 Highlights:

- **Consolidated gold equivalent production of 123,002 ounces** compared to 103,444 ounces in 2020. This 19% increase was due to higher grades processed at Costerfield because of Youle becoming the primary ore source throughout 2021 and the processing of the Cerro Bayo mineralized waste dumps, which added 9,037 gold equivalent ounces during 2021.

- **Revenue of $229.4 million on gold equivalent sales of 126,241 ounces** compared to $179.0 million on 99,935 ounces in 2020. The increase in revenue is a result of 26% more ounces sold supported by higher realized metal prices.

- **Adjusted EBITDA[1] of $115.0 million** compared to $94.2 million in 2020. This represents a 22% increase compared to 2020, which mainly relates to increased revenue as mentioned above.

- **Adjusted net income[1] of $49.2 million ($0.54 or C$0.67 income per share)** compared to an adjusted net income of $34.7 million ($0.38 or C$0.51 income per share) in 2020, an increase relating improved revenue generated year-over-year.

- **Consolidated net income in 2021 was $54.9 million ($0.60 or C$0.75 income per share)**, compared to a consolidated net income of $9.3 million ($0.10 or C$0.14 income per share) in 2020.

- **Consolidated cash cost[1] of $873 and all-in sustaining cost[1] of $1,212 per ounce of saleable gold equivalent production** compared to $843 and $1,254 per ounce, respectively in 2020. The cash cost in 2021 was higher mainly due to an increase in operating costs at Björkdal and the processing costs incurred at Cerro Bayo (nil in 2020). All-in sustaining cost in 2021 was lower than 2020 mainly due to increased production at Costerfield.

- **Free cash flow[1] of $18.2 million** compared to $25.3 million in 2020. This $7.1 million decrease was mainly due to shipping related issues at Costerfield over the course of the year resulting in deferred customer payments. Had there been no shipping issues at Costerfield, the Company estimates free cash flow would have been approximately $33.0 million. Net cash flow from operating activities was $62.0 million compared to $61.7 million in 2020.

- **Consolidated capital expenditures of $50.3 million** compared to $46.9 million in 2020, as exploration spending increased in 2021 and the capital-intensive Björkdal tailings expansion project continued.

1 Adjusted EBITDA, adjusted net income, free cash flow, cash and all-in sustaining costs are non-IFRS financial 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 months and year ended December 31, 2021 and 2020:

	Three months ended December 31		Year ended December 31	
	2021	2020	2021	2020
Björkdal				
Gold produced (oz)	11,190	12,252	45,236	45,296
Gold sold (oz)	10,749	10,746	46,254	45,312
Cash cost per oz gold produced ($)(1)	1,227	1,251	1,233	1,112
All-in sustaining cost[1] per oz gold produced ($)	1,700	1,616	1,609	1,435
Costerfield				
Gold produced (oz)	13,397	12,236	47,753	44,958
Antimony produced (t)	830	858	3,380	3,903
Gold equivalent produced (oz)(2)	19,507	15,099	68,729	58,148
Gold sold (oz)	17,057	10,943	49,585	42,120
Antimony sold (t)	1,334	915	3,627	3,744
Gold equivalent sold (oz)(2)	26,877	13,996	72,598	54,623
Cash cost[1] per oz gold eq. produced ($)	557	668	593	634
All-in sustaining cost[1] per oz gold eq. produced ($)	731	1,077	866	1,010
Cerro Bayo				
Gold produced (oz)	1,009	-	5,303	-
Silver produced (oz)	50,556	-	266,596	-
Gold equivalent produced (oz)(2)	1,665	-	9,037	-
Gold sold (oz)	764	-	4,364	-
Silver sold (oz)	39,614	-	217,034	-
Gold equivalent sold (oz)(2)	1,278	-	7,389	-
Cash cost[1] per oz gold eq. produced ($)	1,476	-	1,199	-
All-in sustaining cost[1] per oz gold eq. produced ($)	1,604	-	1,246	-
Consolidated				
Gold equivalent produced (oz)(2)	32,362	27,351	123,002	103,444
Gold equivalent sold (oz)(2)	38,904	24,742	126,241	99,935
Cash cost[1] per oz gold eq. ($)	836	929	873	843
All-in sustaining cost[1] per oz gold eq. ($)	1,162	1,350	1,212	1,254
Average gold price ($/oz)	1,796	1,876	1,799	1,734
Average silver price ($/oz)	23.31	24.43	25.12	20.51
Average antimony price ($/t)	13,221	6,260	11,176	5,787

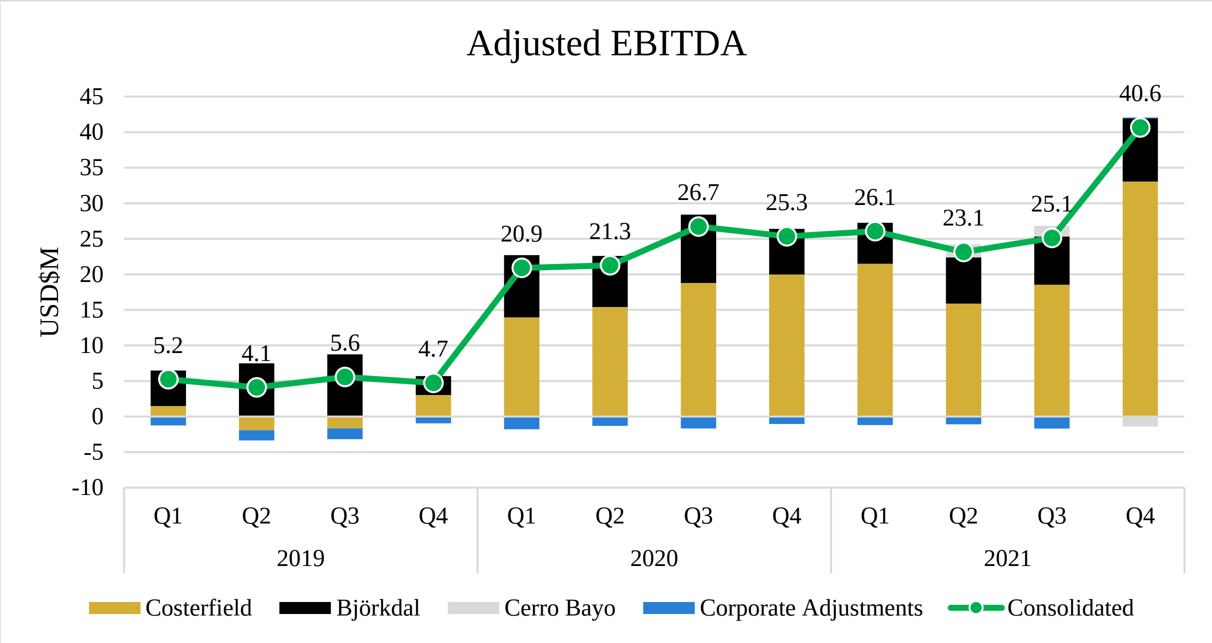
1. Cash and all-in sustaining costs are non-IFRS measures. Refer to Section 1.14 "Non-IFRS Measures" for further information.
2. Gold equivalent ounces (or "Au Eq. oz") produced/sold is calculated by multiplying the saleable quantities of gold and antimony in the period by the respective average market 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.

Financial Summary

The following table sets forth a summary of the Company's financial results for the three months and year ended December 31, 2021 and 2020:

	Three months ended December 31		**Year ended December 31**	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Revenue	72,904	45,320	229,396	178,974
Cost of sales	30,609	18,798	108,853	78,782
Income from operations (excl. depr. & depletion)(1)	42,295	26,522	120,543	100,192
General and administrative costs	1,647	1,176	5,583	5,945
Adjusted EBITDA(1)	40,648	25,346	114,960	94,247
Depreciation and depletion	8,253	9,347	38,382	35,854
Adjusted EBIT(1)	32,395	15,999	76,578	58,393
Finance costs	2,405	4,226	8,738	16,312
Unrealized loss (gain) on hedges	4,825	(10,756)	(7,892)	21,475
Gain on sale of subsidiary	(7,105)	-	(7,105)	-
Tax, forex and others(2)	16,936	7,807	27,958	11,297
Adjusted net income(1)	21,992	12,065	49,203	34,704
Consolidated net income	15,334	14,722	54,879	9,309
Adjusted net income per share(1)	0.24	0.13	0.54	0.38
Consolidated net income per share	0.17	0.16	0.60	0.10
Total assets	317,843	301,284	317,843	301,284
Total liabilities	141,156	165,505	141,156	165,505
Total equity	176,687	135,779	176,687	135,779
Consolidated capital expenditures				
Capital development	4,218	5,936	20,441	23,572
Property, plant and equipment purchases	5,449	6,718	20,825	16,976
Capitalized exploration	2,583	1,540	9,037	6,330
Total	12,250	14,194	50,303	46,878

1. Income from operations (excl. depreciation & depletion), Adjusted EBIT, Adjusted EBITDA and Adjusted net income are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. 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.



Quarterly Highlights

Sale of Cerro Bayo

On December 1, 2021, Equus Mining Ltd. ("Equus") completed its purchase of the Cerro Bayo mine. Equus acquired Cerro Bayo, including its mining properties, resources and mine infrastructure as well as a 1,500 tonnes per day processing plant, in exchange for 19% of Equus' share capital and a 2.25% net smelter royalty on production from the Cerro Bayo mining claims once the mine has produced at least 50,000 ounces of gold equivalent, subject to a re-purchase option in favour of Equus. Mandalay also retains a maximum of 50% of the approved site closure costs of Cerro Bayo as at the transaction closing date which was valued at $5.7 million.

Exploration

At Costerfield during fourth quarter of 2021 the focus of exploration was to build confidence in the newly discovered Shepherd zone with the aim of building Mineral Resources and Mineral Reserves around the multiple veining horizons found earlier in the year. Additionally, drilling on the Margaret target continued though Q4 2021 with the aim of following the prospective Margaret mineralization at depth. The Brunswick Deeps testing program also continued through Q4 2021.

In Q1 2022, a significant number of drilling programs are expected to commence, with a focus on expanding the Shepherd veining to the south and at depth. The Brunswick and Margaret Depth testing programs will also continue through Q1 and the Cuffley Deeps, Robinsons Testing and Youle East Testing programs are expected to commence.

At Björkdal, drilling continued through Q4 2021 on multiple programs exploring the eastern extension of the Main, Central and Lake Zones of the Björkdal deposit. Drilling resources for this area were bolstered following the highly significant and consistent grades recovered during 2021. Amongst these results was 47.7 g/t gold over a drilled width of 11.7 m (estimated true width is 5.85 m). Further information regarding these results can be found in the Company's press releases of January 24, 2022 and June 29, 2021.

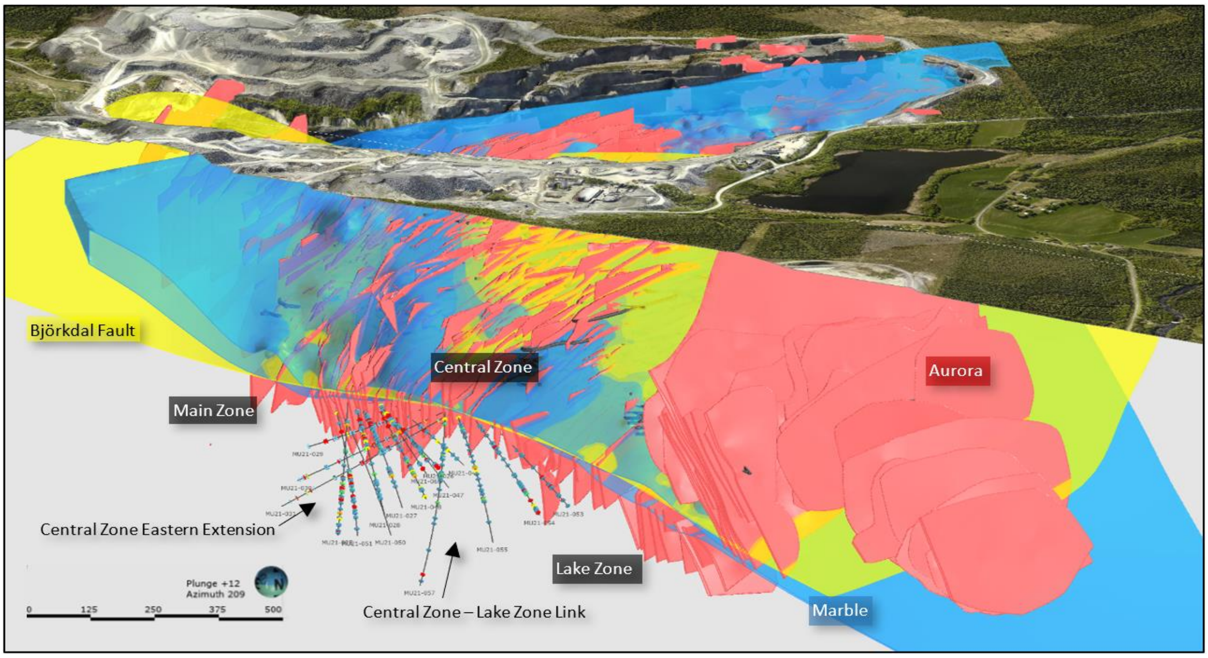


Figure 1: Perspective view of the Björkdal Mine looking towards the SSW highlighting the interaction of the veining (Red) Marble (Blue) and Björkdal fault (Yellow). Drilling of the latest Central Zone extension programs is also shown.

While the majority of Björkdal's drilling resources were diverted to the Eastern Extension drilling, the Aurora Infill program was also completed alongside the Lake Zone Skarn program. The Björkdal North Deeps program also commenced, aimed at exploring underneath the Marble horizon to the north and underneath Aurora and associated veining. Exploration in early 2022 is planned to see a continuation of the Eastern Extension and Infill programs as well as the recommencement of the North Testing and Infill program, which is designed to extend resources found in 2020 along multiple veining horizons located up to 500m north of Aurora.

Mineral Reserves and Resources

2021 exploration programs at both Björkdal and Costerfield have yielded exciting results that have led to increases in Mineral Reserves and Resources at both sites. At Costerfield, the gold portion of the Mineral Reserves increased by 24% to 312,000 oz gold and a grade of 12.5 g/t extending the mine life by two years to 2027. Although the mine has been in constant production for 16 years this is the largest Mineral Reserves and mine life estimate that the operation has reported.

At Björkdal, Mineral Resources increased by 59,000 oz gold to 1,146,000 oz while also replacing depletion of 51,800 oz. Much of this growth has come from the Eastern extension programs. However, due to the early stage of exploration, the impact on Mineral Reserves in 2021 was relatively modest with an additional 49,000 oz added to Mineral Reserves and total Mineral Reserves falling by 2,000 oz of gold to 542,000 oz gold. Based on the subsequent drilling described in the Company's January 24, 2022 press release, the Company expects that the Eastern Extension programs will make a strong contribution to Mineral Reserves in the coming year.

Lupin reclamation

Lupin is currently in the process of final closure and reclamation activities mainly funded by progressive security reductions. Restricted cash as of December 31, 2021 of $11.5 million stands as a deposit against, and in excess of, the present value of reclamation cost obligations of $8.2 million. The Company expects the release of a minimum of C$3 million during the first half of 2022 as partial compensation for work finalized over 2021.

COVID-19 Pandemic

The COVID-19 pandemic is present in all countries in which the Company operates, with cases being reported in Canada, Australia and Sweden. 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. The Company has recently been affected by global shipping delays that have been caused, in part, by the pandemic, which have impacted the timing of shipments of its flotation concentrate at Costerfield which is sent overseas from Australia. While Mandalay expects that these delays will be temporary and that they will not affect overall sales volumes, they have and may in the future impact the Company's sales on a quarterly basis.

Outlook

Against its 2021 guidance, the Company exceeded full-year 2021 production guidance (105,000 – 117,000 ounces) with a consolidated saleable gold equivalent production of 123,002 ounces – the highest total since 2017. All cost metrics were well within guidance and capex finished at $50.3 million vs guidance of $48 – $56 million.

Mandalay expects to see continued improvements in production and costs from Costerfield and Björkdal in 2022. At Costerfield, the Company anticipates an incremental improvement to the production profile during 2022 as development continues at Youle and with the initiation of production from the high-grade Shephard deposit. Mandalay also expects production and cost improvements at Björkdal in 2022. The Company anticipates stoping rates within the lower, higher-grade levels of Aurora zone to lift and is maintaining its goal of achieving 1.2 million tonnes of underground ore production per annum. Björkdal also anticipates higher grades from stoping production as dilution control measures continue to be implemented.

The Company's 2022 production and cost guidance are below (please see press release dated January 13, 2022). Given the completion of the sale of Cerro Bayo in December 2021, the Company's 2022 production will not include any production from Cerro Bayo.

	Björkdal	**Costerfield**	**Consolidated(1)**
	2022E		
Gold production (oz)	51,000-56,000	50,000-55,000	101,000-111,000
Antimony production (t)	-	2,100-2,700	2,100-2,700
Gold eq. production (oz)(1)	51,000-56,000	67,000-74,000	118,000-130,000
Cash cost, $/oz gold eq.(2)	980-1,130	560-710	700-900
All-in sustaining $/oz gold eq.(3)	1,400-1,550	830-980	1,100-1,300
Capex, $/million	29-33	21-25	50-58

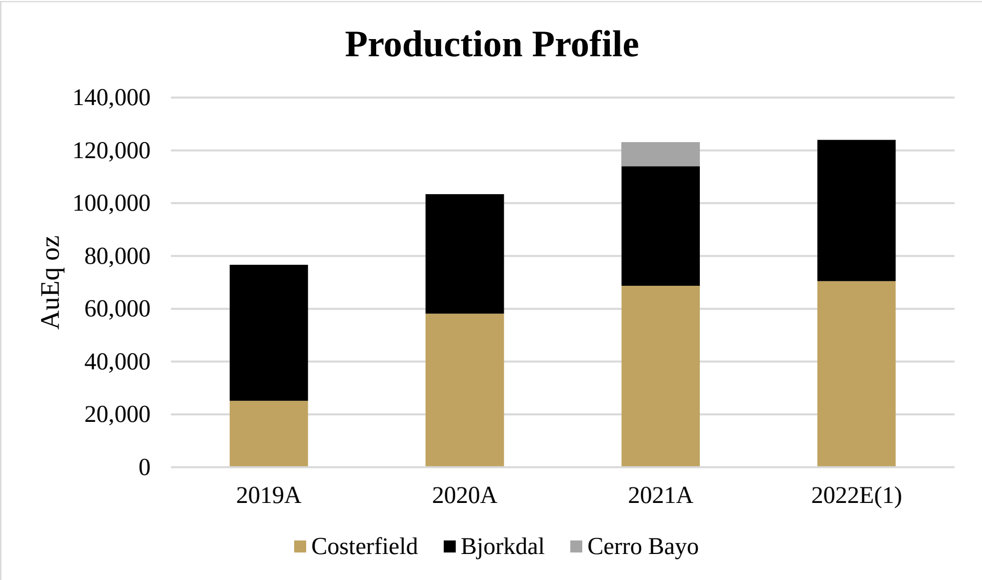
1. Assumes average metal prices of: Au $1,750/oz, Sb $13,000/t
2. Cash cost and all-in sustaining costs are non-IFRS measures. Refer to Section 1.14 "Non-IFRS measures" for further information.
3. Consolidated costs per Au Eq. oz includes corporate overhead spending.

Mandalay's 2022 cost guidance take into account the following factors and assumptions:

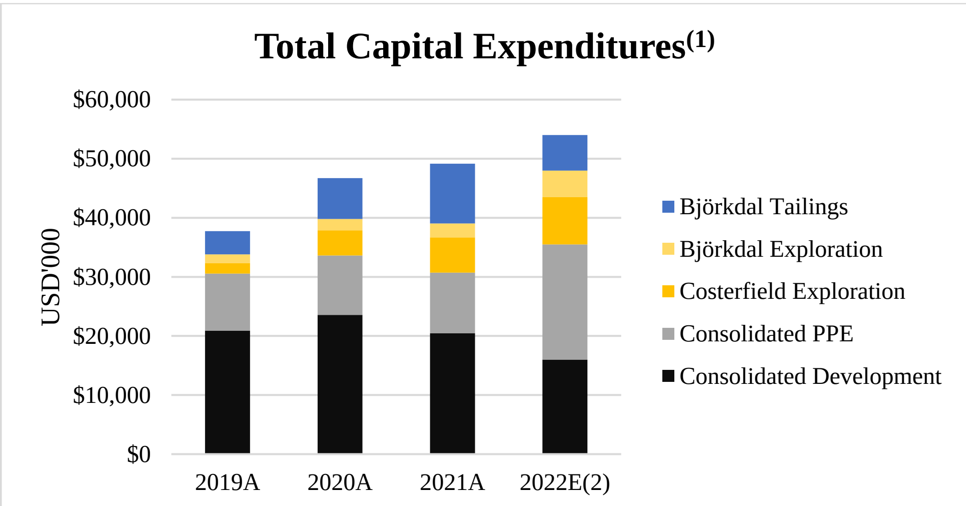
- The value of the Australian dollar and Swedish krona relative to the US dollar and overall country cost inflation has impacted 2022 guidance relative to 2021. A comparison of actual and assumed rates is shown below:
  - Average 2021 rates: AUD/USD 0.751 and USD/SEK 8.58
  - Guidance 2022 rates: AUD/USD 0.73 and USD/SEK 8.79

- Significant capital spending at Björkdal, including continued work on the tailings storage facility expansion project. This project will allow for tailings capacity through the current life of mine.

- Capital exploration spending is as follows:
  - Björkdal: $4-5 million
  - Costerfield: $7-9 million



1. 2022E average production graphed.



1. Excludes Cerro Bayo capital expenditures spending.
2. 2022E average CAPEX graphed.

1.1 RESULTS OF OPERATIONS

Costerfield Gold-Antimony Mine, Victoria, Australia

Costerfield Financial Results

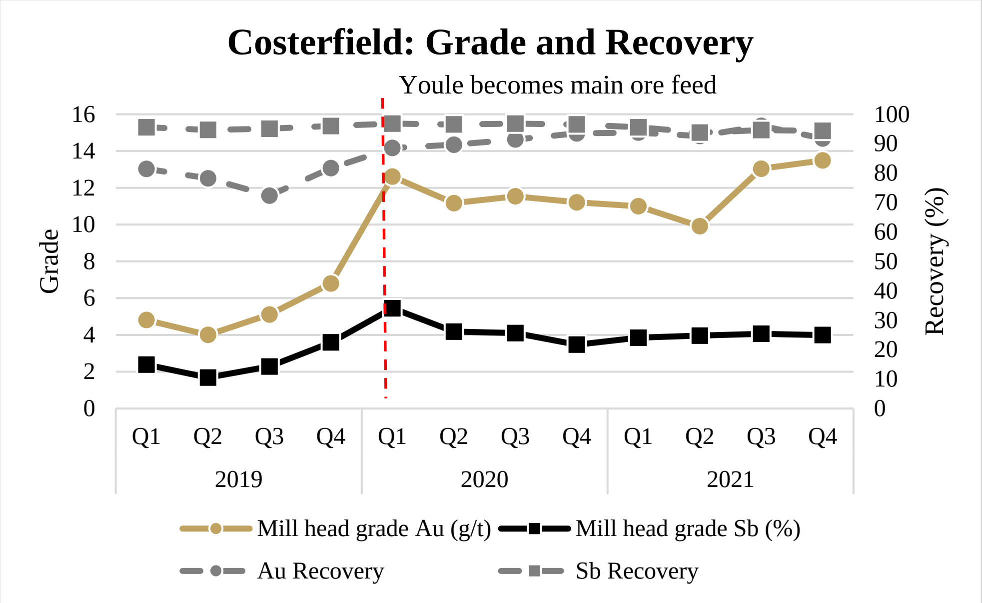
	Three months ended December 31		Year ended December 31	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Revenue	49,205	26,347	131,357	97,465
Cost of sales	16,122	6,240	42,299	29,229
Income from operations (excl. depr. & depletion)	33,083	20,107	89,058	68,236
General and administrative costs(1)	204	263	902	765
Adjusted EBITDA(2,3)	33,048	19,979	88,862	68,127
Depreciation & depletion	3,278	4,921	19,051	19,606
Adjusted EBIT(3)	29,601	14,923	69,105	47,865
Unrealized loss (gain) on hedge	2,476	(8,929)	426	3,443
Finance costs, forex and others(3,4)	1,824	3,426	216	7,575
Income before tax	25,301	20,426	68,463	36,847
Current tax expense	7,337	2,233	18,247	6,851
Deferred tax expense (recovery)	151	(170)	2,452	3,966
Adjusted net income(3)	20,289	9,434	48,190	29,473
Consolidated net income after tax	17,813	18,363	47,764	26,030
Capital development	1,415	3,599	10,426	14,231
Property, plant and equipment purchases	723	1,886	4,302	4,951
Capitalized exploration	1,597	937	5,940	4,245
Total capital expenditures	3,735	6,422	20,668	23,427

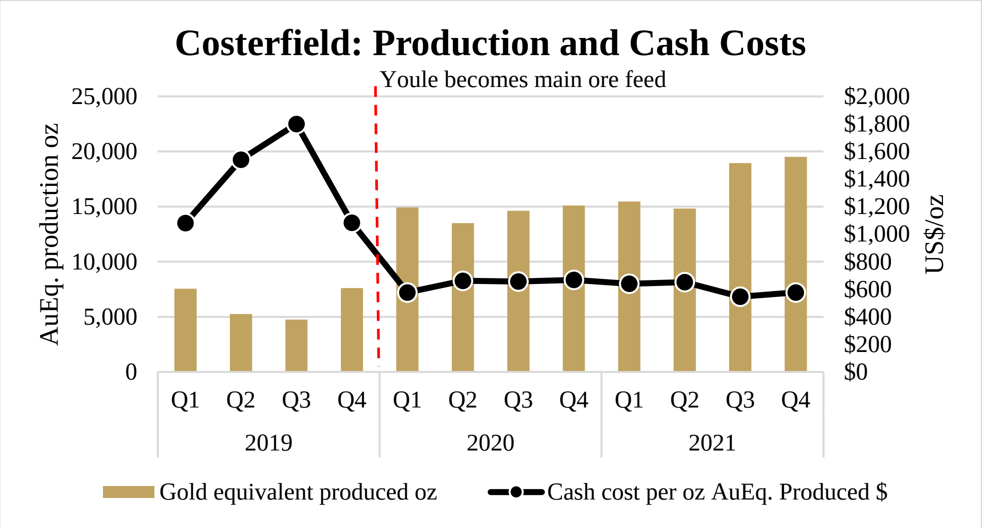
1. Includes intercompany transfer pricing costs of $169,000 and $706,000 in the three months and year ended December 31, 2021 and $135,000 and $656,000 in the corresponding periods of 2020.
2. Does not include intercompany transfer pricing recharge costs.
3. Adjusted EBITDA, Adjusted EBIT and Adjusted net income (loss) are non-IFRS performance measures. Refer to Section 1.14 "Non-IFRS measures" for further information. Finance costs includes realized loss on gold hedge of $225,000 and $28,000 in the three months and year ended December 31, 2021, respectively, and $1,094,000 and $1,976,000 in Q4 2020 and full-year 2020, respectively.
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 $984,000 and $2,769,000 for the three months and year ended December 31, 2021, and $529,000 and $1,962,000 for the corresponding periods in 2020.

Costerfield Operating Results

		Three months ended December 31		Year ended December 31	
		2021	2020	2021	2020
Operating development	m	1,026	1,529	4,660	6,238
Mined ore	t	49,171	48,544	173,727	164,200
Mined ore Au grade	g/t	11.57	11.25	10.98	12.13
Mined ore Sb grade	%	3.05	3.57	3.50	4.50
Mined contained Au	oz	18,284	17,564	61,305	64,028
Mined contained Sb	t	1,501	1,733	6,087	7,394
Mining cost per tonne ore	$/t	128	136	142	143
Processed ore	t	36,164	40,660	145,480	150,433
Processed ore mill head grade Au	g/t	13.49	11.21	11.84	11.60
Processed ore mill head grade Sb	%	3.99	3.47	3.96	4.25
Recovery Au	%	91.78	93.53	93.57	90.85
Recovery Sb	%	94.37	96.54	94.58	96.69
Saleable Au produced	oz	13,397	12,236	47,753	44,958
Saleable Sb produced	t	830	858	3,380	3,903
Saleable Au equivalent produced	oz	19,507	15,099	68,729	58,148
Processing cost per tonne ore	$/t	54.17	37.90	48.01	37.88
Au sold in gravity concentrate	oz	8,221	7,382	27,982	25,143
Au sold in floatation concentrate	oz	8,836	3,561	21,603	16,977
Au sold (total)	oz	17,057	10,943	49,585	42,120
Sb sold	t	1,334	915	3,627	3,744
Capital development metres	m	284	460	2,038	2,580
Capital development cost per metre	$/m	4,981	7,821	5,115	5,515
Cash cost per tonne ore processed [1,2]	$/t	300	248	280	245
Adjusted EBITDA per tonne ore processed [1,2]	$/t	914	491	611	453
Cash cost per oz Au equivalent produced [1,2]	$/oz	557	668	593	634
Site all-in sustaining cost per oz Au equivalent produced [1,2]	$/oz	731	1,077	866	1,010

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 December 31, 2021 and 2020

- ***Production*** — Saleable gold production for Q4 2021 was 13,397 ounces, a 9% increase from the 12,236 ounces produced in Q4 2020. Saleable antimony production during Q4 2021 was 830 tonnes, a 3% decrease from the 858 tonnes produced in Q4 2020. Gold equivalent production for Q4 2021 was 19,507 ounces, a 29% increase from the 15,099 gold equivalent ounces produced in Q4 2020. Processed gold grades were higher during Q4 2021 at 13.49 g/t gold as compared to 11.21 g/t gold in Q4 2020. Processed antimony grades were 3.99% during Q4 2021 as compared to 3.47% in Q4 2020.

- ***Revenue*** – Costerfield's revenue for Q4 2021 was $49.2 million, an 87% increase from $26.3 million in Q4 2020. This was mainly due to an increase in ounces sold during the quarter and the delay in the recognition of Q3 2021 revenue until Q4 2021 from the ongoing global shipping challenges. Gold equivalent ounces sold increased by 92% to 26,877 ounces in Q4 2021, as compared to 13,996 ounces in Q4 2020.

- ***Operating Costs*** – Cost of sales excluding depletion and depreciation at Costerfield was $16.1 million for Q4 2021, compared to $6.2 million during Q4 2020, higher in the current quarter mainly due to a decrease in inventory stock sold during the quarter.

- ***Income from Operations*** – Income from mine operations before depreciation and depletion at Costerfield during Q4 2021 was $33.1 million, adjusted EBITDA was $33.0 million, adjusted net income was $20.3 million and net income after tax was $17.8 million. Comparable results for Q4 2020 were income from mine operations before depreciation and depletion of $20.1 million, adjusted EBITDA was $20.0 million, adjusted net income was $9.4 million and net income after tax of $18.4 million. The increase in income from operations is mainly due to increase in revenue during Q4 2021.

- ***Depletion and Depreciation*** – Depletion and depreciation expense at Costerfield decreased to $3.3 million in Q4 2021, compared to $4.9 million for Q4 2020 mainly due to an update to the reserves balance made in Q4 2021.

- ***Cost per Ounce*** – Cash cost per ounce of saleable gold equivalent produced at Costerfield in Q4 2021 was $557 compared to $668 in Q4 2020. All-in sustaining cost per ounce of saleable gold equivalent produced in Q4 2021 was $731 compared to $1,077 in Q4 2020. These per ounce costs were lower as compared to Q4 2020 due to higher gold equivalent production.

- ***Capital Expenditures*** – Capital expenditures in Q4 2021 totaled $3.7 million ($1.4 million in capital development costs, $1.6 million for exploration, and $0.7 million in property, plant and equipment) as compared to the $6.4 million ($3.6 million in capital development costs, $0.9 million for exploration, and $1.9 million for property, plant and equipment) during Q4 2020. The decrease in capital expenditures in Q4 2021 was due to a decrease in capital development activities during the current quarter.

Costerfield – Year Ended December 31, 2021 and 2020

- ***Production*** — Saleable gold production in 2021 was 47,753 ounces, an increase of 6% from the 44,958 ounces produced in 2020. Saleable antimony production for 2021 was 3,380 tonnes, a 13% decrease from the 3,903 tonnes produced in 2020. Gold equivalent production for 2021 was 68,729 ounces, a 18% increase from the 58,148 gold equivalent ounces produced in 2020. Processed gold grades were similar in 2021 as compared to 2020 at 11.84 g/t gold and 11.60 g/t gold, respectively. Processed antimony grades were 3.96% in 2021 as compared to 4.25% in 2020. The higher gold equivalent production for 2021 as compared to 2020 was supported by stronger realized antimony price.

- ***Revenue*** – Costerfield's revenue in 2021 was $131.4 million, a 35% increase from $97.4 million in 2020. This was mainly due to an increase in gold equivalent ounces sold and higher realized gold and antimony prices. Gold equivalent ounces sold increased by 33% to 72,598 ounces in 2021 as compared to 54,623 ounces in 2020.

- ***Operating Costs*** – Cost of sales excluding depletion and depreciation at Costerfield was $42.3 million in 2021, compared to $29.2 million for 2020. This increase is mainly due to a decrease in inventory and an increase in mining costs during 2021 compared to 2020.

- ***Income from Operations*** – Income from mine operations before depreciation and depletion at Costerfield in 2021 was $89.1 million, adjusted EBITDA was $88.9 million, adjusted net income was $48.2 million and net income after tax was $47.8 million. Comparable results for 2020 were income from mine operations before depreciation and depletion of $68.2 million, adjusted EBITDA of $68.1 million, adjusted net income of $29.5 million and net income after tax of $26.0 million. The increase in income from operations is mainly due to increase in revenue during 2021.

- ***Depletion and Depreciation*** – Depletion and depreciation expense at Costerfield decreased to $19.1 million in 2021 compared to $19.6 million for 2020.

- ***Cost per Ounce*** – Cash cost per ounce of saleable gold equivalent produced at Costerfield in 2021 was $593 compared to $634 in 2020. All-in sustaining cost per ounce of saleable gold equivalent produced in 2021 was $866 compared to $1,010 in 2020. These per ounce costs were lower as compared to the 2020 period due to higher gold equivalent production.

- ***Capital Expenditures*** – Capital expenditures in 2021 totaled $20.7 million ($10.5 million in capital development costs, $5.9 million in exploration, and $4.3 million in property, plant and equipment) as compared to $23.4 million ($14.2 million in capital development costs, $4.2 million for exploration, and $5.0 million for property, plant and equipment) during 2020.

Björkdal Gold Mine, Sweden

Björkdal Financial Results

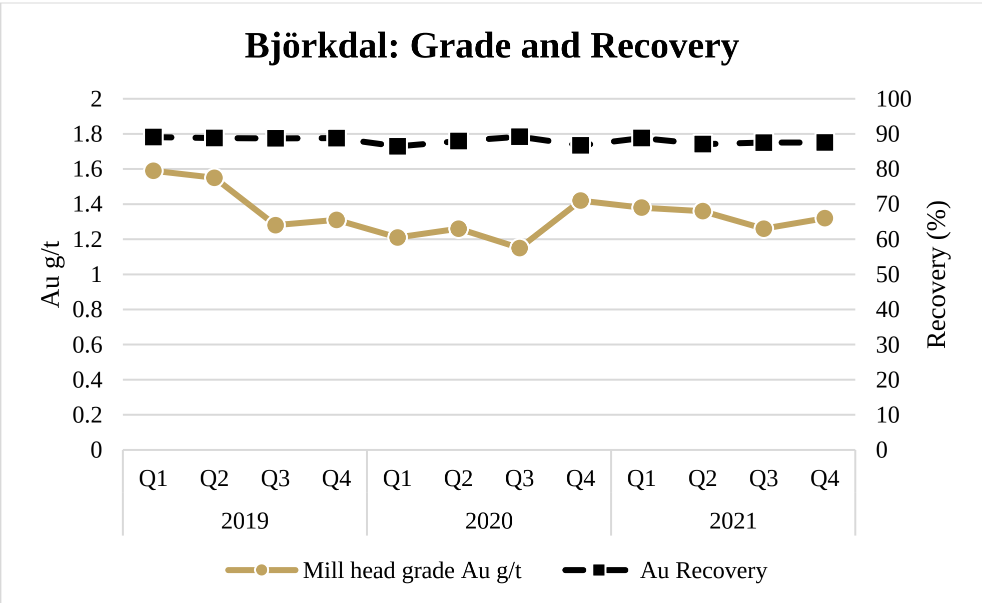
	Three months ended December 31		Year ended December 31	
	2021	2020	2021	2020
Revenue	21,456	18,973	85,342	81,509
Cost of sales	12,581	12,558	57,423	49,553
Income from operations (excl. depreciation & depletion)	8,875	6,415	27,919	31,956
General and administrative costs (1)	140	119	572	772
Adjusted EBITDA (2,4)	8,875	6,415	27,919	31,953
Depreciation & depletion	4,975	4,302	19,331	15,601
Adjusted EBIT (4)	3,760	1,994	8,016	15,583
Unrealized loss (gain) on hedge	1,604	(1,827)	(9,620)	18,032
Finance costs, foreign exchange and others (3)	3,067	331	11,547	304
Income (loss) before tax	(911)	3,490	6,089	(2,753)
Current tax expense	-	130	-	2,439
Deferred tax (recovery) expense	(279)	(3,111)	1,146	(2,759)
Adjusted net income (loss) (4)	972	4,644	(4,677)	15,599
Consolidated net income (loss) after tax	(632)	6,471	4,943	(2,433)
Capital development cost	2,803	2,337	10,015	9,341
Capital purchases	4,512	4,832	16,095	12,025
Capitalized exploration	753	586	2,376	1,929
Total capital expenditure (5)	8,068	7,755	28,486	23,295

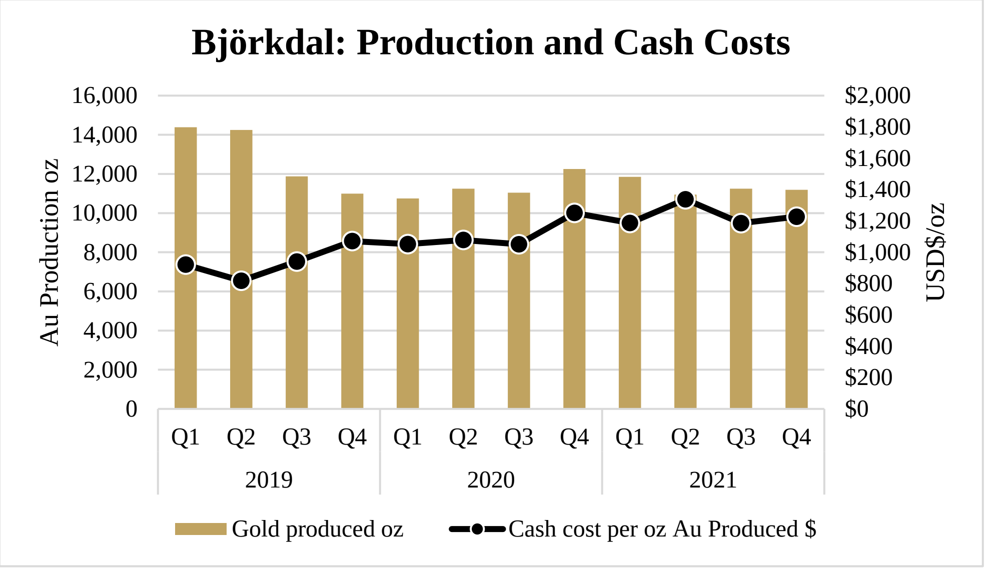
1. Includes intercompany transfer pricing recharge costs of $140,000 and $572,000 for the three months and year ended December 31, 2021 and $119,000 and $769,000 for the same periods of 2020.
2. Does not include intercompany transfer pricing recharge costs.
3. Finance costs includes realized loss on gold hedge of $1,082,000 and $4,690,000 in Q4 2021 and full-year 2021, respectively, compared to $2,245,000 and $3,449,000 in Q4 2020 and full-year 2020, respectively. Others includes such items as intercompany transfer pricing recharge for marketing fees and stock-based compensation of $440,000 and $1,744,000 for the three months and year ending December 31, 2021, and $385,000 and $1,502,000 for the corresponding periods 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 December 31		Year ended December 31	
		2021	**2020**	**2021**	**2020**
Underground mining					
Operating development	m	1,602	1,772	5,988	5,842
Mined ore	t	275,632	308,035	1,071,212	1,066,443
Mined ore Au grade	g/t	1.40	1.42	1.41	1.41
Mined contained Au	oz	12,407	14,054	48,436	48,396
Mining cost per tonne ore	$/t	24.64	22.09	25.97	22.35
Processed ore	t	308,104	328,687	1,259,949	1,319,620
Processed ore mill head grade Au	g/t	1.32	1.37	1.32	1.21
Recovery Au	%	87.55	86.72	86.76	87.80
Saleable Au produced	oz	11,190	12,252	45,236	45,296
Processing cost per tonne ore	$/t	10.08	9.64	9.85	8.15
Au sold	oz	10,749	10,746	46,254	45,312
Capital development (underground)	m	813	656	3,076	3,157
Capital development cost per metre	$/m	3,064	3,166	2,980	2,714
Cash operating cost per tonne ore processed(1)	$/t	44.57	46.62	44.27	38.17
Adjusted EBITDA per tonne ore processed(1,2)	$/t	28.81	19.52	22.16	24.21
Cash cost per oz Au produced(1,2)	$/oz	1,227	1,251	1,233	1,112
Site all-in sustaining cost per oz Au produced(1,2)	$/oz	1,700	1,616	1,609	1,435

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 December 31, 2021 and 2020

- ***Production*** – Saleable gold production at Björkdal in Q4 2021 was 11,190 ounces, a 9% decrease from the 12,252 ounces produced in Q4 2020 due to lower tonnes and grades processed.

- ***Revenue*** – Björkdal's revenue for Q4 2021 was $21.5 million, an increase of 13% from the $19.0 million generated in Q4 2020. This increase was due to higher realized gold prices during the current quarter.

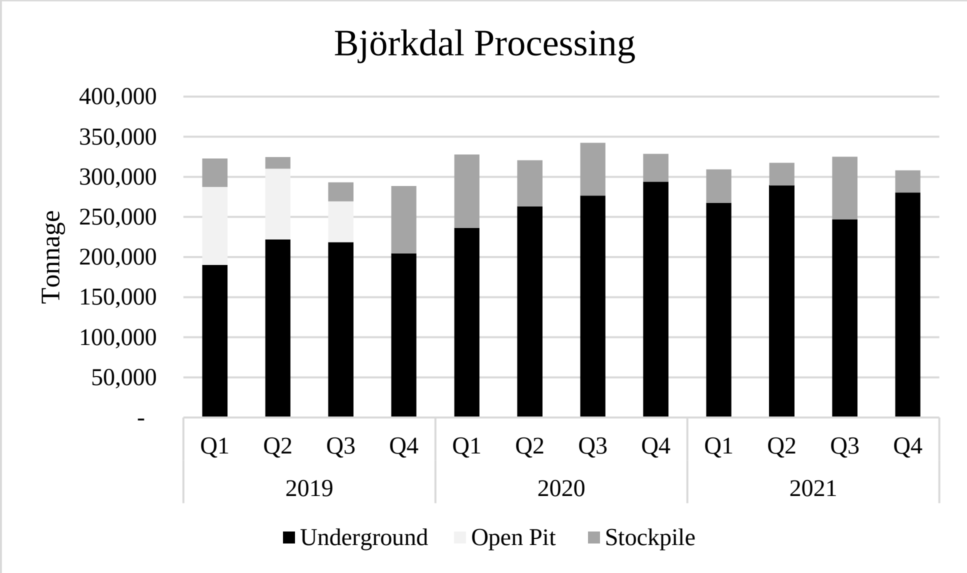
- ***Operating Costs*** – Cost of sales excluding depletion and amortization at Björkdal was $12.6 million in Q4 2021, the same as in Q4 2020.

- ***Income from Operations*** – Income from mine operations before depreciation and depletion at Björkdal for Q4 2021 was $8.9 million, adjusted EBITDA was $8.9 million, adjusted net income was $1.0 million and net loss after tax was $0.6 million. The net loss after tax was mainly due to a $1.1 million realized loss on gold hedges. Comparable results for Q4 2020 were income from mine operations before depreciation and depletion of $6.4 million, adjusted EBITDA of $6.4 million, adjusted net income of $4.6 million and net income after tax of $6.5 million.

- ***Depletion and Depreciation*** – Depletion and depreciation expense at Björkdal increased to $5.0 million in Q4 2021, compared to $4.3 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 Q4 2021 was $1,227, 2% lower as compared to Q4 2020 of $1,251. All-in sustaining cost per ounce of saleable gold produced for Q4 2021 was $1,700, 5% higher than the $1,616 during Q4 2020. The cash cost per ounce costs was lower in Q4 2021 as compared to Q4 2020, primarily due to lower costs of production. The all-in sustaining cost per ounce costs was higher in Q4 2021 as compared to Q4 2020, primarily due to higher capital expenditures during the current quarter.

- ***Capital Expenditures*** – Capital expenditures at Björkdal for Q4 2021 totaled $8.1 million ($2.8 million in mine development costs, $0.8 million for exploration, and $4.5 million in property, plant and equipment) compared with $7.7 million ($2.3 million in mine development costs, $0.6 million for exploration, and $4.8 million for property, plant and equipment) during Q4 2020.



Björkdal – Year ended December 31, 2021 and 2020

- ***Production*** – Saleable gold production at Björkdal for 2021, was 45,236 ounces, a slight decrease from the 45,296 ounces produced during 2021. This was predominately due to lower tons processed and a slight drop in recoveries partly offset by higher grades in 2021 as compared to 2020.

- ***Revenue*** – Björkdal's revenue in 2021 was $85.3 million, higher than the $81.5 million generated in 2020. This was due to higher realized gold prices in 2021 as compared to 2020.

- ***Operating Costs*** – Cost of sales excluding depletion and amortization at Björkdal was $57.4 million in 2021, higher than $49.6 million during 2020. The increase in operating costs was mainly due to an increase in underground tonnes and plant costs.

- ***Income from Operations*** – Income from mine operations before depreciation and depletion at Björkdal in 2021 was $27.9 million, adjusted EBITDA was $27.9 million, adjusted net loss was $4.7 million and net income after tax was $4.9 million. Comparable results of 2020 were income from mine operations before depreciation and depletion of $32.0 million, adjusted EBITDA of $32.0 million, adjusted net income of $15.6 million and net loss after tax of $2.4 million.

- ***Depletion and Depreciation*** – Depletion and depreciation expense at Björkdal increased to $19.3 million in 2021, compared to $15.6 million 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 2021, was $1,233, 11% higher than the cash cost per ounce of gold produced in 2020 of $1,112. All-in sustaining cost per ounce of gold produced in 2021 was $1,609, 12% higher than the all-in sustaining cost per ounce of gold produced in 2020 of $1,435. These per ounce costs were higher in 2021 compared to 2020 primarily due to increases in the costs of production and increase in capital expenditures.

- ***Capital Expenditures*** – Capital expenditures at Björkdal in 2021 totaled $28.5 million ($10.0 million in mine development costs, $2.4 million for exploration, and $16.1 million in property, plant and equipment) compared with $23.3 million ($9.3 million in mine development costs, $1.9 million for exploration, and $12.0 million for property, plant and equipment) during 2020. The increase in capital expenditures was due to more spent on mining equipment and tailings.

Non-Core Properties

Cerro Bayo

On December 1, 2021, Mandalay completed the sale of its Cerro Bayo mine to Equus Mining Ltd. The Company recognized a gain of $7.1 million on the sale.

Cerro Bayo Financial Results

	Period from October 1 to December 1		Period from January 1 to December 1	
	2021[5]	2020	2021[5]	2020
Revenue	2,243	-	12,697	-
Cost of sales	1,906	-	9,132	-
Income from operations (excl. depreciation & depletion) [4]	337	-	3,565	-
General and administrative costs [1]	8	(1)	50	127
Adjusted EBITDA [2,4]	337	35	3,608	44
Depreciation & depletion	-	124	-	571
Adjusted EBIT [4]	329	(123)	3,515	(698)
Care and maintenance	-	605	383	2,210
Revision of reclamation liability	-	5,563	-	(220)
Finance costs, foreign exchange and others[3]	7	(4,040)	(1,465)	(2,910)
Income (loss) before tax	322	(2,251)	4,597	222
Current tax expense	-	-	-	5
Adjusted net income (loss) [4]	322	3,917	4,980	2,207
Consolidated net income (loss) after tax	322	(2,251)	4,597	217
Capital purchases	214	-	428	26
Capitalized exploration	48	-	48	-
Total capital expenditure	262	-	476	26

1. Includes intercompany transfer pricing recharge costs of $8,000 and $93,000 for the three months and year ended December 31, 2021 and $34,000 and $171,000 for the same periods of 2020.
2. Does not include intercompany transfer pricing recharge costs.
3. Others includes such items as intercompany transfer pricing recharge of $45,000 and $265,000 for the three months and year ending December 31, 2021, and nil for the corresponding periods 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. For the 2021 columns, the figures relate to the period of Mandalay ownership ending December 1, 2021.

Cerro Bayo Operating Results

		Period from October 1 to December 1		Period from January 1 to December 1	
		2021	2020	2021	2020
Processed ore	t	81,131	-	391,731	-
Processed ore mill head grade Au	g/t	0.47	-	0.51	-
Processed ore mill head grade Ag	g/t	26.32	-	28.56	-
Recovery Au	%	82.87	-	83.21	-
Recovery Ag	%	73.59	-	76.86	-
Saleable Au produced	oz	1,009	-	5,303	-
Saleable Ag produced	oz	50,556	-	266,596	-
Saleable Au equivalent produced	oz	1,666	-	9,037	-
Processing cost per tonne ore	$/t	18.82	-	17.10	-
Au sold	oz	764	-	4,364	-
Ag sold	oz	39,614	-	217,034	-
Au equivalent sold	oz	1,278	-	7,389	-

In Q4 2021, there was no care and maintenance spending at Cerro Bayo as it was in production, compared to $0.5 million in Q4 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);
- C$3.0 million in cash or shares payable on or before April 30, 2021 (received in Q2 2021); and
- 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. During Q4 2021, 678,794 shares were sold at an average price of C$0.57 per share. At December 31, 2021, the Company has classified Challacollo's assets and liabilities as held for sale.

Lupin

The Company had $0.1 million care and maintenance spending at Lupin during Q4 2021 and $0.1 million for Q4 2020. Reclamation spending at Lupin was $1.9 million during Q4 2021 and $6.1 million during 2021, compared to $4.7 million and $10.5 million, respectively for the corresponding periods of 2020. Lupin is currently in the process of final closure and reclamation activities mainly funded by progressive security reductions. Restricted cash as of December 31, 2021, of $11.5 million stands as a deposit against, and in excess of, the present value of reclamation cost obligations of $8.2 million. The Company expects the release of $3.9 million during first half of 2022 as part-compensation for work finalized over this year.

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 Q4 2021, the same as Q4 2020.

1.2 FOURTH QUARTER FINANCIAL RESULTS

Summary Financial Performance

	Three months ended December 31		Year ended December 31	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Revenue	72,904	45,320	229,396	178,974
Cost of sales	30,609	18,798	108,853	78,782
Income from operations (excl. depr. and depletion)	42,295	26,522	120,543	100,192
Depreciation and depletion	8,253	9,347	38,382	35,854
Income from mining operations	34,042	17,175	82,161	64,338
General and administrative costs	1,647	1,176	5,583	5,945
Adjusted EBITDA(1)	40,648	25,346	114,960	94,247
Finance costs	2,405	4,226	8,738	16,312
Unrealized (gain) loss on hedge	4,825	(10,756)	(7,892)	21,475
Gain on sale of subsidiary	(7,105)	-	(7,105)	-
Revision of reclamation liability, forex and others(2)	9,727	8,726	6,113	795
Consolidated income before tax	22,543	13,803	76,724	19,811
Current tax expense	7,337	2,362	18,247	9,295
Deferred tax expense (recovery)	(128)	(3,281)	3,598	1,207
Adjusted net income (1)	21,992	12,065	49,203	34,704
Consolidated net income	15,334	14,722	54,879	9,309
Adjusted income per share(1)	0.24	0.13	0.54	0.38
Consolidated income per share	0.17	0.16	0.60	0.10
Total assets	317,843	301,284	317,843	301,284
Total liabilities	141,156	165,505	141,156	165,505
Total equity	176,687	135,779	176,687	135,779
Capital expenditures – Consolidated(3)				
Underground capital development	4,218	5,936	20,441	23,572
Property, plant and equipment purchases	5,449	6,718	20,825	16,976
Capitalized exploration	2,583	1,540	9,037	6,330
Total capital expenditures	12,250	14,194	50,303	46,878

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

Summary Balance Sheet

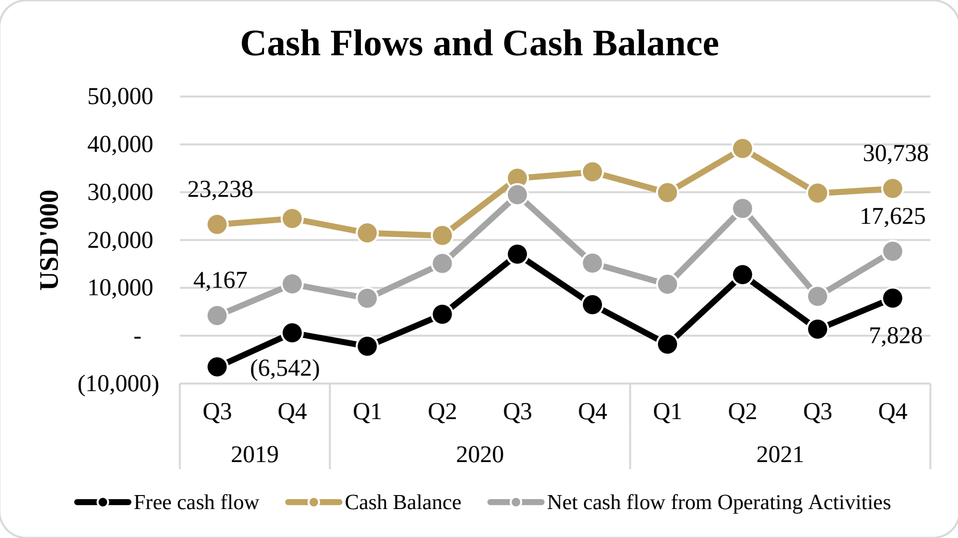
	As at December 31, 2021	As at December 31, 2020
	$'000	$'000
Cash and cash equivalents	30,738	34,206
Inventories, accounts rec. and other current assets	82,691	51,403
Assets held for sale	906	-
Total current assets	**114,335**	**85,609**
Property, plant and equipment	193,731	197,614
Reclamation deposits and other non-current assets	9,777	18,061
Total assets	**317,843**	**301,284**
Syndicated Facility – *current*	15,111	15,111
Other current liabilities	62,816	59,168
Liabilities held for sale	478	-
Total current liabilities	**78,405**	**74,279**
Syndicated Facility – *non-current*	27,658	41,647
Non-current liabilities	35,093	49,579
Equity attributable to common shareholders	176,687	135,779
Total equity and liability	**317,843**	**301,284**

Summary Cash Flow

The table below summarizes the Company's cash flow for the three months and years ended December 31, 2021 and 2020 and reconciles free cash flow to reported net cash flows from operating activities for those periods. See Section 1.14 "Non-IFRS Measures" for more information.

	Three months ended December 31, 2021	Three months ended December 31, 2020	Year ended December 31, 2021	Year ended December 31, 2020
	$'000	$'000	$'000	$'000
Net cash flows from operating activities	**17,625**	**15,151**	**62,033**	**61,656**
Reclamation expenditures	1,890	4,710	6,082	10,506
Capital expenditures	(11,218)	(12,990)	(48,109)	(44,960)
Lease payments	(469)	(424)	(1,837)	(1,927)
Free cash flow[1]	**7,828**	**6,447**	**18,169**	**25,275**
Net reclamation expenditures	(1,890)	(2,647)	(3,937)	(2,632)
Proceeds from sale of non-core assets	-	2,344	1,874	2,344
Net repayment on borrowings	(4,120)	(3,160)	(15,081)	(11,466)
Payment of gold derivative contracts	(1,307)	(2,842)	(4,718)	(4,927)
Proceeds from sale of marketable securities	272	-	272	-
Shares issued for cash	84	-	130	16
Effects of exchange rate changes	107	1,202	(150)	1,134
Net cash flow	974	1,317	(3,468)	9,744
Cash/cash equivalents, end of period	**30,738**	**34,206**	**30,738**	**34,206**

1 Free cash flow is a non-IFRS performance measures. Refer to Section 1.14 "Non-IFRS Measures" for further information



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 months and years ended December 31, 2021 and 2020. See Section 1.14 "Non-IFRS Measures" for more information.

	Three months ended December 31, 2021	Three months ended December 31, 2020	Year ended December 31, 2021	Year ended December 31, 2020
	$'000	**$'000**	**$'000**	**$'000**
Consolidated net income	15,334	14,722	54,879	9,309
Add: Special items				
Gain on sale of subsidiary	(7,105)	-	(7,105)	-
Revision of reclamation liability	6,733	5,563	6,733	(202)
Fair value loss (gain) on fin. instruments – hedging	4,825	(10,756)	(7,892)	21,475
Care and maintenance costs	102	891	485	2,495
Write-down of assets	2,103	1,645	2,103	1,645
Adjusted net income	**21,992**	**12,065**	**49,203**	**34,704**
Add/less: Non-cash and finance costs				
Depletion and depreciation	8,253	9,347	38,382	35,854
(Gain) loss on disposal of PPE	44	(195)	(558)	(192)
Share based compensation expense	320	196	852	759
Interest and finance charges	2,405	4,226	8,738	16,312
Fair value adjustments gain	-	-	-	(4,076)
Current tax expense	7,337	2,362	18,247	9,295
Deferred tax expense (recovery)	(128)	(3,281)	3,598	1,207
Foreign exchange (gain) loss	293	820	(3,354)	1,042
Interest and other income	132	(194)	(148)	(658)
Adjusted EBITDA	**40,648**	**25,346**	**114,960**	**94,247**
Depletion and depreciation	8,253	9,347	38,382	35,854
Adjusted EBIT	**32,395**	**15,999**	**76,578**	**58,393**

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 months and year ended December 31, 2021 and 2020. Refer to Section 1.14 "Non-IFRS Measures" for further information.

	Three months ended December 31, 2021	Three months ended December 31, 2020	Year ended December 31, 2021	Year ended December 31, 2020
	$'000	$'000	$'000	$'000
Cost of sales, excluding depletion and depreciation	**30,609**	**18,798**	**108,853**	**78,782**
Add:				
General and administrative costs	35	127	153	109
Less:				
Change in inventory	(2,333)	7,188	1,897	10,980
Royalties	(1,263)	(704)	(3,535)	(2,655)
Total cash cost	**27,048**	**25,409**	**107,368**	**87,216**
Saleable Au equivalent produced (oz)	32,363	27,351	123,002	103,444
Cash cost per oz gold produced ($)	**836**	**929**	**873**	**843**

	Three months ended December 31, 2021	Three months ended December 31, 2020(1)	Year ended December 31, 2021	Year ended December 31, 2020(1)
	$'000	$'000	$'000	$'000
Total Cash cost	**27,048**	**25,409**	**107,367**	**87,216**
Add:				
General and administrative costs	1,612	1,048	5,424	5,833
Capital development	4,218	5,935	20,441	23,571
Capital purchases – sustaining	3,149	4,001	10,720	10,080
Capital exploration – infill drilling	271	-	1,497	216
Royalties	1,263	704	3,536	2,655
Accretion on rehabilitation provisions	55	(183)	83	101
All-in sustaining cost	**37,616**	**36,914**	**149,068**	**129,672**
Saleable Au equivalent produced (oz)	32,363	27,351	123,002	103,444
All-in sustaining cost per oz Au prod. ($)	**1,162**	**1,350**	**1,212**	**1,254**

1. The Company has restated consolidated All-in sustaining costs to exclude care and maintenance expenses in the comparative periods. Cash and all-in sustaining costs are non-IFRS measures. Refer to Section 1.14 "Non-IFRS Measures" for further information.

Consolidated Financial Results - Three Months Ended December 31, 2021 and 2020

- ***Revenue*** – Consolidated revenue for Q4 2021 was $72.9 million, 61% higher than the $45.3 million in Q4 2020. Consolidated gold equivalent ounces sold increased to 38,904 ounces in Q4 2021 compared to 24,742 ounces in Q4 2020. This increase was due to higher gold equivalent ounces sold at Costerfield and stronger realized antimony prices between the comparative quarters.

- ***Operating Costs*** – Consolidated cost of sales excluding depletion and amortization was $30.6 million for Q4 2021 compared to $18.8 million for Q4 2020. The increase in Q4 2021 costs were mainly due to an decrease in inventory, increased mining rates at both sites and the restart of processing facility at Cerro Bayo.

- ***Income from Operations*** – Consolidated income from mine operations before depreciation and depletion for Q4 2021 was $42.3 million, adjusted EBITDA was $40.6 million, adjusted net income was $22.0 million and net income after tax was $15.3 million. Comparable results for Q4 2020 were income from mine operations before depreciation and depletion of $26.5 million, adjusted EBITDA of $25.3 million, adjusted net profit of $12.1 million and a net income after tax of $14.7 million.

- ***Depletion and Depreciation*** – Depletion and depreciation expense in Q4 2021 was $8.3 million compared to $9.3 million in Q4 2020.

- ***Cost per Ounce*** – Consolidated cash cost per ounce of saleable gold equivalent produced for Q4 2021 was $836, same as Q4 2020 of $929. Consolidated all-in sustaining cost per ounce of saleable gold equivalent produced for Q4 2021 was $1,162, 14% lower than Q4 2020 of $1,350. These per ounce cash costs were lower in Q4 2021 as compared to Q4 2020 due to higher production.

- ***Capital Expenditures*** – Consolidated capital expenditures for Q4 2021, totaled $12.3 million ($3.8 million occurred at Costerfield and $8.1 million at Björkdal). By comparison, total capital expenditures, including capitalized depreciation and exploration, in Q4 2020 was $14.2 million ($6.4 million at Costerfield, $7.7 million at Björkdal). The decrease in capital expenditures was mainly at Costerfield.

Consolidated Financial Results - Year Ended December 31, 2021 and 2020

- ***Revenue*** – Consolidated revenue generated in 2021 was $229.4 million, a 28% increase from $179.0 million in 2020 mainly due to an increase in gold equivalent ounces sold along with the support from higher realized gold and antimony prices. Consolidated gold equivalent ounces sold increased by 26% to 126,241 ounces in 2021 compared to 99,935 ounces in 2020.

- ***Operating Costs*** – Consolidated cost of sales excluding depletion and amortization was $108.9 million in 2021, compared to $78.8 million during 2020. The 38% increase were due to decrease in inventory, increased mining rates at both sites and the commencement of the processing at Cerro Bayo ($9.1 million).

- ***Income from Operations*** – Consolidated income from mine operations before depreciation and depletion in 2021 was $120.5 million, adjusted EBITDA was $115.0 million, adjusted net income was $49.2 million and net income after tax was $54.9 million. Comparable results for 2020 were income from mine operations before depreciation and depletion of $100.2 million, adjusted EBITDA of $94.2 million, adjusted net income was $34.7 million and net income after tax of $9.3 million.

- ***Depletion and Depreciation*** – Depletion and depreciation expense for the Company increased to $38.4 million in 2021, compared to $35.9 million in 2020 mainly due to higher production.

- ***Cost per Ounce*** – Consolidated cash cost per ounce of gold equivalent produced in 2021 was $873, 4% higher than the cash cost per ounce of gold equivalent produced in 2020 of $843. Consolidated all-in sustaining cost per ounce of gold equivalent produced in 2021 was $1,212, lower than the all-in sustaining cost per ounce of gold equivalent produced in 2020 of $1,254. The per ounce cost was lower in 2021, as compared to 2020 due to higher production.

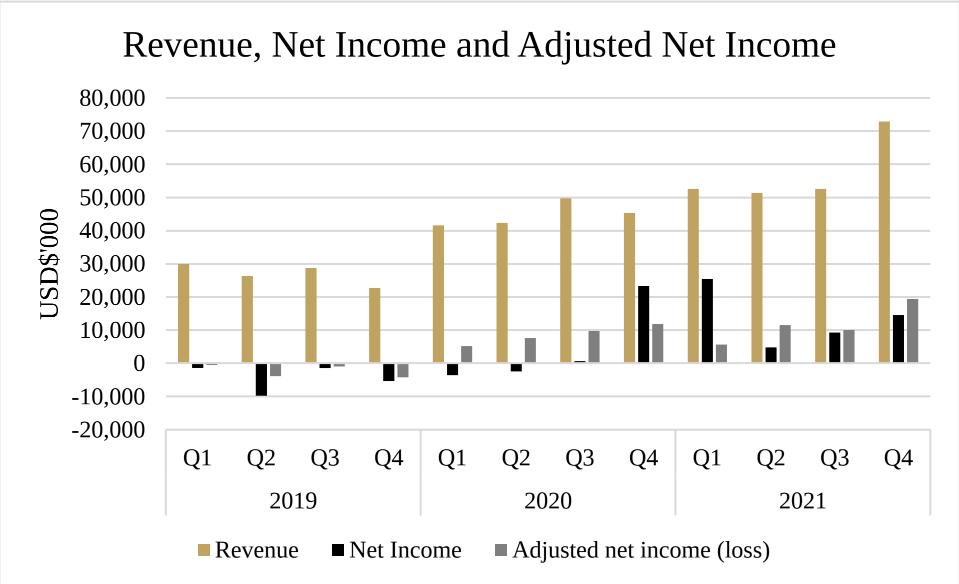
- ***Capital Expenditures*** – Consolidated capital expenditures in 2021 totaled $50.3 million ($20.7 million occurred at Costerfield and $28.5 million at Björkdal). By comparison, total capital expenditures, including capitalized depreciation and exploration, in 2020, was $46.9 million ($23.4 million occurred at Costerfield and $23.3 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 4 2021	Quarter 3 2021	Quarter 2 2021	Quarter 1 2021
	$'000	$'000	$'000	$'000
Revenue	72,904	52,567	51,352	52,573
Adjusted net income	21,992	10,090	11,475	5,646
Net income	15,334	9,255	4,790	25,500
Adjusted net income per share – Basic	0.24	0.11	0.13	0.06
Net income per share – Basic and diluted	0.17	0.10	0.05	0.28

	Quarter 4 2020	Quarter 3 2020	Quarter 2 2020	Quarter 1 2020
	$'000	$'000	$'000	$'000
Revenue	45,320	49,753	42,335	41,566
Adjusted net income (loss)	12,065	9,823	7,632	5,186
Net income (loss)	14,722	635	(2,439)	(3,608)
Adjusted net loss per share – Basic	0.13	0.11	0.08	0.06
Net income (loss) per share – Basic and diluted	0.16	0.01	(0.03)	(0.04)



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.

Increasing 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 October 1, 2021 – December 31, 2021	Average Rate October 1, 2020 – December 31, 2020	Average Rate January 1, 2021 – December 31, 2021	Average Rate January 1, 2020 – December 31, 2020
1A$ = C$	0.9183	0.9533	0.9419	0.9255
1 A$ = US$	0.7285	0.7317	0.7515	0.6905
1 US$ = C$	1.2606	1.3028	1.2534	1.3403
1 US$ = Chilean Peso	827	760	761	771
1 US$ = SEK	8.8681	8.6102	8.5829	9.2123

Markets – Commodity Prices

Realized prices of gold and antimony were higher in Q4 2021 as compared to Q4 2020. The average market and realized commodity prices for the reporting period are summarized in the table below:

Commodity	Prices October 1, 2021 December 31, 2021	Prices October 1, 2020 December 31, 2020	Prices January 1, 2021 December 31, 2021	Prices January 1, 2020 December 31, 2020
Realized gold US$/oz[1]	1,869	1,856	1,818	1,804
Average gold US$/oz – London PM close (Transamine)	1,796	1,876	1,799	1,734
Realized antimony US$/tonne[1]	13,953	5,492	11,654	5,659
Average antimony US$/tonne – Rotterdam Warehouse (Metal Bulletin)	13,221	6,260	11,176	5,787
Realized silver US$/oz[1]	22.98	-	22.93	-
Average silver US$/oz – London PM close (Transamine)	23.31	24.43	25.12	20.51

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 December 31, 2021, the Company's working capital was $35.9 million compared to $11.3 million at December 31, 2020. The Company had cash and cash equivalents of $30.7 million as at December 31, 2021, as compared to $34.2 million at December 31, 2020. This cash balance was impacted by shipping related issues at Costerfield over the course of the year resulting in deferred customer payments. Had there been no shipping issues at Costerfield, the Company estimates its cash balance would have been approximately $45.5 million at December 31, 2021.

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 each in Q1, Q2, Q3 and

Q4 of 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 December 31, 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 Q4 2021 the Company paid $1.3 million as settlement of expired gold derivatives contracts as compared to $2.8 million in Q4 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 December 31, 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 6.86%. The nominal interest rate at December 31, 2021, was 4.25%+LIBOR. As at December 31, 2021, the Company made a total of $21.1 million debt repayment, leaving an outstanding principal value of the Syndicated Facility of $43.9 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 gain of $4.1 million and fair value gain of $9.2 million for the three months and year ending December 31, 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 months and year ended December 31, 2021, the Company paid $1.3 million and $4.7 million, respectively, as settlement of expired gold derivatives contracts as compared to $2.8 million and $4.9 million respectively, in both 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. During the year ended December 31, 2021, the Company has sold 678,794 shares at an average of C$0.57 per share. The value of securities as at December 31, 2021 is $0.4 million. These securities are stated at fair value with any resulting gain or loss recognized in income statement. The Company recorded an unrealized fair value loss of $0.4 million and record realized fair value loss of $0.1 million for the year ended December 31, 2021, using Level 1 assumptions.

On December 18, 2021, the Company received 29,375,121 shares (after consolidation of 20 shares into 1 shares) of Equus Mining Ltd with a fair value of A$0.18 per share as part of the compensation under Cerro Bayo sale agreement. The value of securities as at December 31, 2021 is $3.0 million. Both Aftermath and Equus securities are stated at fair value with any resulting gain or loss recognized in income statement. The Company recorded an unrealized fair value loss of $0.8 million for the year ended December 31, 2021, using Level 1 assumptions.

Contractual Obligations as at December 31, 2021

Contractual obligations	**Payments due by year ($ '000)**		**Total ($ '000)**
	Less than 1 year	**1-3 years**	
Syndicated Facility	15,111	28,778	**43,889**
Lease obligations	2,506	3,603	**6,109**
Other equipment loan obligations	548	360	**908**
Total contractual obligations	**18,165**	**32,741**	**50,906**

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 was Chief Executive Officer of Kingsdale at the time the services were provided 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 December 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 91,763,547 common shares issued and outstanding. The weighted average number of shares outstanding during Q4 2021 used for the calculation of per share results were 91,470,553.

In Q4 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.

Stock options issued and outstanding as at December 31, 2021 are as follows:

Exercise Price C$	As of December 31, 2021	As of February 23, 2022	Expiry Date
2.14	328,173	328,173	30 June, 2028
0.61	794,667	794,667	30 June, 2027
1.10	346,667	346,667	30 June, 2026
2.00	264,500	264,500	30 June, 2025
6.00	140,000	140,000	30 June, 2024
Total	**1,874,007**	**1,874,007**	

During Q4 2021, 134,666 options were exercised, while none were exercised in the comparative quarter of 2020. There were 1,874,007 options outstanding as of December 31, 2021.

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 December 31, 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	(285,047)
Forfeited	(80,212)
Balance, December 31, 2021	**475,958**
Redeemed	-
Balance, February 23, 2022	**475,958**

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 December 31, 2021 is as follows:

	Number of PSU Awards
Balance, December 31, 2020	**-**
Granted	336,049
Redeemed	(40,000)
Balance, December 31, 2021	**296,049**
Redeemed	-
Balance, February 23, 2022	**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 December 31, 2021 is as follows:

	Number of DSU Awards
Balance, December 31, 2020	**-**
Granted	150,148
Balance, December 31, 2021	**150,148**
Redeemed	-
Balance, February 23, 2022	**150,148**

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 CP (Geo), and a "qualified person" (as that term is defined in National Instrument 43-101).

1.13 SUBSEQUENT EVENTS

There were no notable subsequent events during the period.

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. *Adjusted net income per share* – The company defines adjusted net income per share as adjusted net income divided by weighted average number of shares outstanding.
6. *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.
7. *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.
8. *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.
9. *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.

10. *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.

11. *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.