MANDALAY RESOURCES

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2022

AS OF FEBRUARY 23, 2023

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Management's Discussion and Analysis for the Three Months and Year Ended December 31, 2022

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, 2022, the Company's Annual Information Form, dated March 31, 2022 (the "AIF"), the Company's 2021 audited consolidated financial statements and accompanying 2021 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 consolidated 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.

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.

Cautionary Note Regarding Forward-Looking Information

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; cybersecurity events; current global financial conditions including inflation; 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.

Overview of Mandalay Resources

Mandalay Resources is a Canadian-based natural resource company with producing assets in Australia (Costerfield antimony-gold 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 the deeper Shepherd veins into production, both of which are expected to continue to supply high-grade ore to the processing plant, and to extend Youle's 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.

1.0 FINANCIAL AND OPERATING SUMMARY

Fourth Quarter 2022 Highlights:

- **Cash on hand was $38.4 million at year end** with debt of $24.0 million resulting in a net cash[1] position of $14.4 million. This compares to $30.7 million of cash and $49.8 million in debt resulting in $19.1 million in net debt[1] as at December 31, 2021.

- **Consolidated gold equivalent production of 25,683 ounces** compared to 32,362 ounces in Q4 2021. The decrease in ounces produced in the current quarter compared to Q4 2021 was due to labor shortages related to COVID or flu absenteeism at both Costerfield and Björkdal, training of new personnel following a high staff turnover at both operating sites and the absence of any production from Cerro Bayo in the current quarter compared to 1,665 gold equivalent ounces in Q4 2021 due to its sale in December 2021 to Equus Mining Ltd.

- **Revenue of $41.4 million on 24,482 gold equivalent ounces sold** compared to $72.9 million on 38,904 ounces in Q4 2021. The gold equivalent ounces sold in Q4 2021 was exceptionally higher than average because of the level of concentrate sold at Costerfield during Q4 2021 due to the delay of shipments during Q3 2021. Adding to the difference was the absence of any revenue from Cerro Bayo in the current quarter compared to $2.2 million in Q4 2021.

- **Adjusted EBITDA[1] of $20.1 million** compared to $40.6 million in Q4 2021. EBITDA was lower as compared to Q4 2021 due to lower revenue in the current quarter.

- **Adjusted net income[1] of $5.2 million ($0.06 or C$0.08 per share)** compared to an adjusted net income of $22.0 million ($0.24 or C$0.30 per share) in Q4 2021 less due to lower revenue in the current quarter.

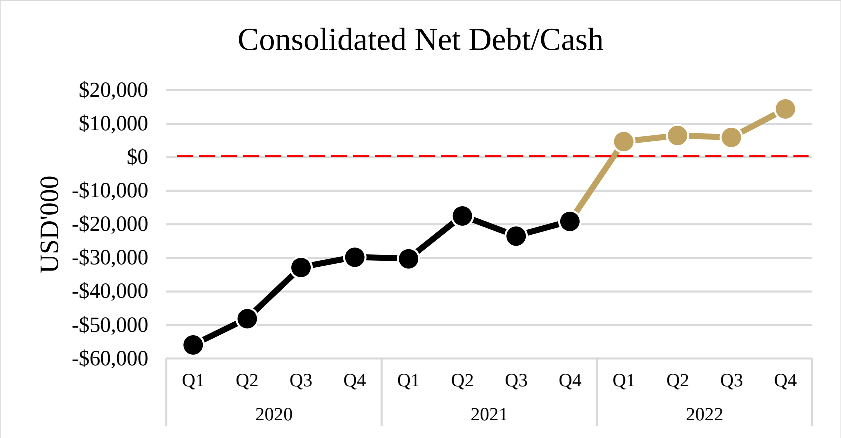
- **Consolidated net income in Q4 2022 was $1.0 million ($0.01 or C$0.02 per share)**, compared to a consolidated net income of $15.3 million ($0.17 or C$0.21 per share) in Q4 2021.

- **Consolidated cash cost[1] of $909 and all-in sustaining cost[1] of $1,246 per ounce of saleable gold equivalent production** compared to $836 and $1,162 per ounce, respectively, in Q4 2021. The higher unit costs were due to lower production in Q4 2022 as compared to Q4 2021.

- **Free cash flow[1] of $10.4 million** compared to $7.8 million of cash flow in Q4 2021. The increase in Q4 2022 as compared to Q4 2021 was mainly due to higher cash flow from operating activities. Cash flow from operating activities of $20.9 million compared to $17.6 million in Q4 2021.

- **Consolidated capital expenditures of $11.0 million** compared to $12.3 million in Q4 2021.

1 Adjusted EBITDA, adjusted net income, free cash flow, net debt/cash, 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 2022 Highlights:

- **Consolidated gold equivalent production of 105,906 ounces** compared to 123,002 ounces in 2021. This 14% decrease was due to lower antimony grades processed at Costerfield and gold grades processed at Björkdal, coupled with no production from Cerro Bayo in 2022, which added 9,037 gold equivalent ounces during 2021.

- **Revenue of $191.7 million on gold equivalent sales of 106,094 ounces** compared to $229.4 million on 126,241 ounces in 2021. The decrease in revenue is a result of 16% lower gold equivalent ounces sold and the absence of revenue from Cerro Bayo in 2022.

- **Adjusted EBITDA[1] of $91.2 million** compared to $115.0 million in 2021. This represents a 21% decrease compared to 2021, which mainly relates to the absence of revenue from Cerro Bayo.

- **Adjusted net income[1] of $27.0 million ($0.29 or C$0.38 income per share)** compared to adjusted net income of $49.2 million ($0.54 or C$0.67 income per share) in 2021, a decrease relating to lower revenue generated year-over-year.

- **Consolidated net income in 2022 was $23.5 million ($0.26 or C$0.33 income per share)**, compared to a consolidated net income of $54.9 million ($0.60 or C$0.75 income per share) in 2021.

- **Consolidated cash cost[1] of $896 and all-in sustaining cost[1] of $1,207 per ounce of saleable gold equivalent production** compared to $873 and $1,212 per ounce, respectively, in 2021. The cash cost per ounce in 2022 was higher due to lower production. All-in sustaining cost in 2022 was lower than 2021, due to a decrease in sustaining capital spent.

- **Free cash flow[1] of $45.0 million** compared to $18.2 million in 2021. This $26.8 million increase was mainly due to shipping related issues at Costerfield in 2021, resulting in deferred customer payments during 2022. Net cash flow from operating activities was $80.0 million compared to $62.0 million in 2021.

- **Consolidated capital expenditures of $40.7 million** compared to $50.3 million in 2021, decreased mainly at Costerfield for mining development spent and at Björkdal due to a decrease in equipment and tailings expansion expenditures in 2022.

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[1] Adjusted EBITDA, adjusted net income, free cash flow, net debt/cash, 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.

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 years ended December 31, 2022 and 2021:

	Three months ended December 31		Year ended December 31	
	2022	**2021**	**2022**	**2021**
Björkdal				
Gold produced (oz)	10,256	11,190	41,247	45,236
Gold sold (oz)	9,569	10,749	40,680	46,254
Cash cost per oz gold produced ($)(1)	1,362	1,227	1,321	1,233
All-in sustaining cost(1) per oz gold produced ($)	1,774	1,700	1,656	1,609
Costerfield				
Gold produced (oz)	12,085	13,397	47,887	47,753
Antimony produced (t)	504	830	2,292	3,380
Gold equivalent produced (oz)(2)	15,427	19,507	64,659	68,729
Gold sold (oz)	11,703	17,057	48,437	49,585
Antimony sold (t)	484	1,334	2,316	3,627
Gold equivalent sold (oz)(2)	14,913	26,877	65,414	72,598
Cash cost(1) per oz gold eq. produced ($)	608	557	624	593
All-in sustaining cost(1) per oz gold eq. produced ($)	800	731	830	866
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)	25,683	32,362	105,906	123,002
Gold equivalent sold (oz)(2)	24,482	38,904	106,094	126,241
Cash cost(1) per oz gold eq. produced ($)	909	836	896	873
All-in sustaining cost(1) per oz gold eq. produced ($)	1,246	1,162	1,207	1,212
Average gold price ($/oz)	1,722	1,796	1,801	1,799
Average silver price ($/oz)	-	23.31	-	25.12
Average antimony price ($/t)	11,488	13,221	13,170	11,176

1. Cash cost and all-in sustaining cost 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. 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

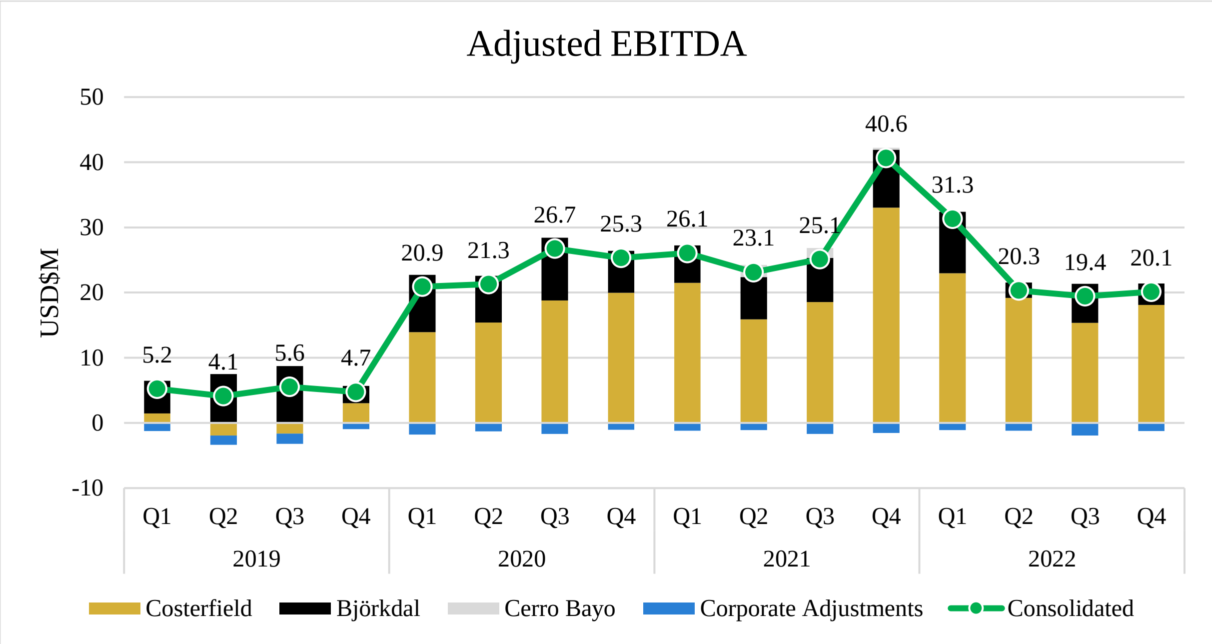
calculated as the average of the high and low Rotterdam warehouse prices for all days in the period, with price on weekend days and holidays taken from the last business day. The source for Au and Ag prices is www.transamine.com and Sb price is www.metalbulletin.com.

Financial Summary

The following table sets forth a summary of the Company's consolidated financial results for the three months and years ended December 31, 2022 and 2021:

	Three months ended December 31		Year ended December 31	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Revenue	41,381	72,904	191,699	229,396
Cost of sales	19,972	30,609	94,904	108,853
Income from operations (excl. depr. & depletion)(1)	21,409	42,295	96,795	120,543
General and administrative costs	1,272	1,647	5,616	5,583
Adjusted EBITDA(1)	20,137	40,648	91,179	114,960
Depreciation and depletion	8,207	8,253	33,874	38,382
Adjusted EBIT(1)	11,930	32,395	57,305	76,578
Finance costs	2,916	2,405	11,878	8,738
Unrealized loss (gain) on financial instruments	711	4,825	(5,247)	(7,892)
Gain on sale of subsidiary	-	(7,105)	(1,828)	(7,105)
Revision of reclamation liability, tax, forex and others(2)	7,260	16,936	28,996	27,958
Adjusted net income(1)	5,202	21,992	26,971	49,203
Consolidated net income	1,043	15,334	23,506	54,879
Adjusted net income per share(1)	0.06	0.24	0.29	0.54
Consolidated net income per share	0.01	0.17	0.26	0.60
Total assets	282,224	317,843	282,224	317,843
Total liabilities	98,070	141,156	98,070	141,156
Total equity	184,154	176,687	184,154	176,687
Consolidated capital expenditures(3)				
Capital development	3,248	4,218	12,269	20,441
Property, plant and equipment purchases	4,919	5,449	17,797	20,825
Capitalized exploration	2,861	2,583	10,620	9,037
Total	11,028	12,250	40,686	50,303

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, loss (gain) on sale of assets, write down of assets and interest income.
3. Includes capitalized spending from non-operating sites.



Quarterly Highlights

Exploration

At Costerfield, drilling continued at a slower pace on the Shepherd South extension and Shepherd infill programs with the Shepherd north extension program commencing at the end of Q4. The Brunswick Deeps program also continued and the Taits north drilling program concluded. Drilling also re-commenced on the Costerfield Deeps program targeting perspective ground below the Cuffley deposit.

To the north of the Costerfield workings, the McDonalds West drill program was undertaken and approximately 1.5m kilometres to the west the True Blue testing program commenced.

The first quarter of 2023 will see the commencement of the Sub-KC drilling program testing the northern extension of the current Mineral Resource under the Augusta and Cuffley deposits. The Brunswick Deeps drilling program will continue and the Shepherd Depth Extension drilling will re-commence from a newly prepared underground drill platform.

Regionally, the True Blue testing program will continue while the neighbouring West Costerfield drill testing program will commence. To the south of Augusta, the 2023 Margaret testing program will also commence.

At Björkdal, Q4 saw the continuation of Eastern Extension drilling, as well as continued testing of North Zone and extensions to Aurora. Leading into 2023, the eastern extension drilling and North Zone drilling will continue while a program targeting the eastern depth extension of the Lake Zone veining will commence. The Lake Zone Skarn infill drilling program targeting the significant potential for the skarn above Lake Zone to be further enriched, is also planned.

Approximately 10 km southwest of Björkdal, the 2022 drill testing programs were completed for Lappjarn, Granholm, Tarsnas and Nyholm. The analysis of these programs will continue into Q1 2023 with a resumption of surface drilling scheduled for Q2 2023.

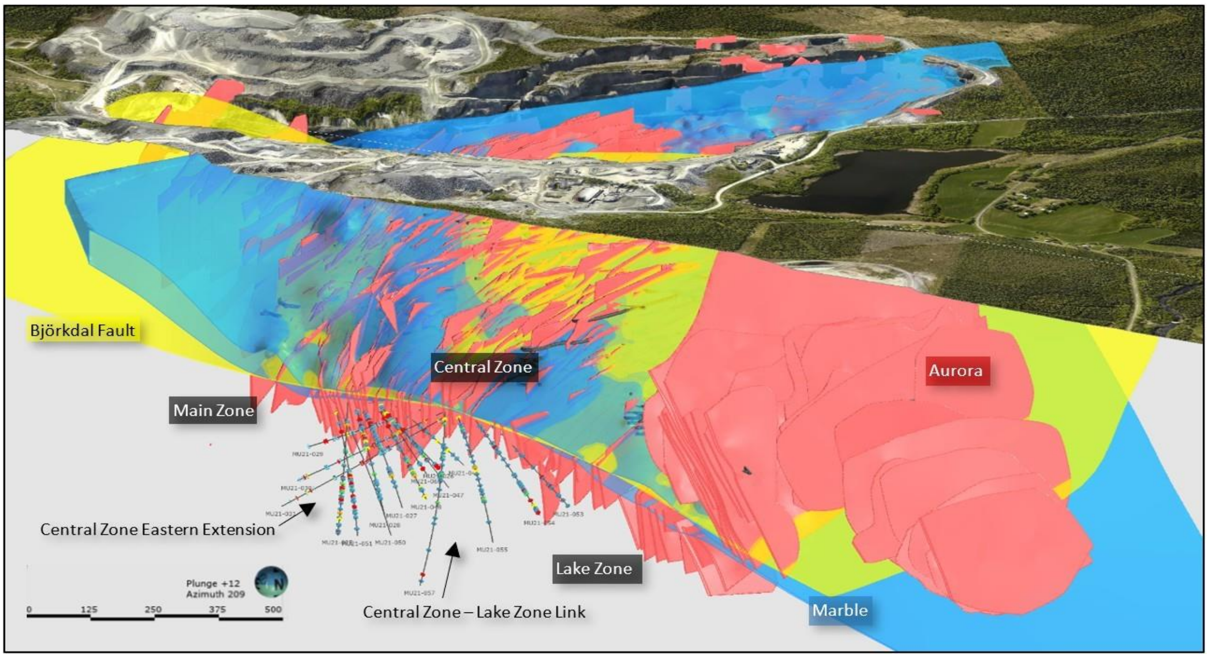


Figure 1: Perspective view of the Björkdal Mine looking towards the SSW highlighting the interaction of the veining (Red) Marble (Blue) and Björkdal fault (Yellow). Drilling of the latest Eastern Extension program is also shown.

COVID-19 Pandemic and Ukraine Conflict

The COVID-19 pandemic continues to be 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. The duration and full financial effect of the COVID-19 pandemic is unknown at this time; management will continue to monitor developments across all jurisdictions and will adjust its planning as necessary.

The ongoing conflict in Ukraine continued to disrupt supply chains and caused instability in the global economy. The conflict resulted in imposition of economic sanctions, which have had an adverse effect on economic markets, including global supply and pricing of energy, precious metals, raw materials and other commodities and components. The short and long-term implications of the conflict are difficult to predict at this time.

Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 pandemic and conflict in Ukraine may materially and adversely affect the Company's operations, financial results and condition in future periods are also subject to significant uncertainty. Therefore, uncertainty about judgements, estimates and assumptions made by management during the preparation of the Company's unaudited interim condensed consolidated financial statements related to potential impacts of the COVID-19 pandemic and conflict in Ukraine on revenue, expenses, assets, liabilities, and note disclosures could result in a material adjustment to the carrying value of the asset or liability affected in future periods.

As of the date of the issuance of MD&A, there have been no other significant impacts, including impairments, to the Company's operations and consolidated financial statements.

Outlook

Mandalay anticipates incremental improvements to its production profile during 2023 at both operating sites. At Costerfield, stoping will continue within the Youle deposit and production from the high-grade Shepherd deposit will ramp up. At Björkdal, work will continue around improving dilution controls and implementing better contingencies regarding staffing protocols. Additionally, development in several higher-grade areas of the Eastern Deeps central zone will begin and stoping can commence once the mining permit extension is granted.

The Company's 2023 production and cost guidance are below (please see press release dated January 13, 2023).

	Björkdal	Costerfield	Consolidated
	2023E		
Gold production (oz)	49,000-54,000	44,000-49,000	93,000-103,000
Antimony production (t)	-	1,800-2,400	1,800-2,400
Gold eq. production (oz)(1)	49,000-54,000	56,000-64,000	105,000-118,000
Cash cost, $/oz gold eq.(2)	975-1,125	650-825	800-975
All-in sustaining $/oz gold eq.(2,3)	1,325-1,475	925-1,075	1,150-1,325
Capex, $ million	24-28	20-24	44-52

1. Assumes average metal prices of: Au $1,797/oz, Sb $10,805/t
2. Cash cost and all-in sustaining cost 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.
3. Consolidated costs per Au Eq. oz includes corporate overhead spending.

Mandalay's 2023 cost guidance takes into account the following factors and assumptions:

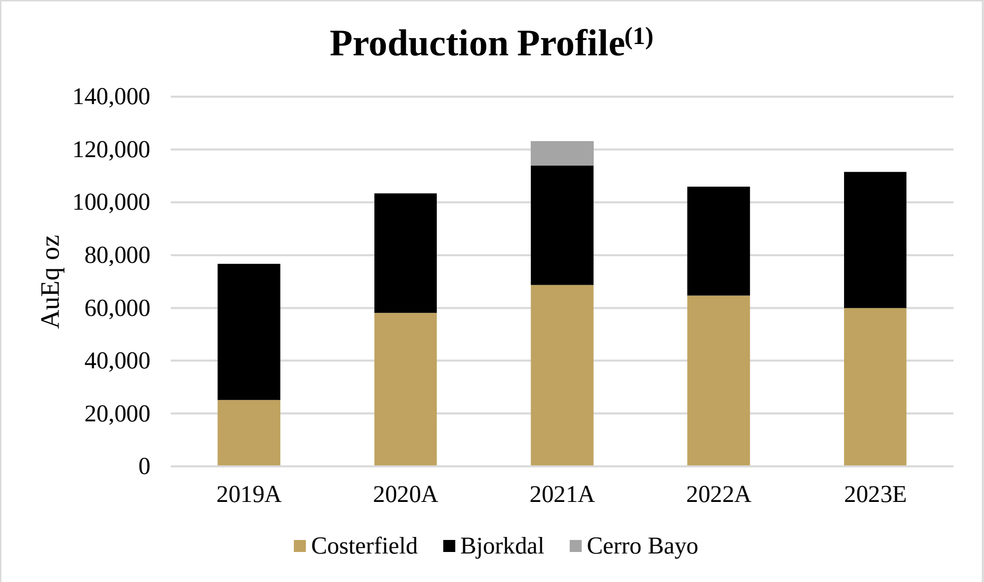
Foreign exchange:

- Average 2022 rates: AUD/USD 0.695 and USD/SEK 10.12
- Guidance 2023 rates: AUD/USD 0.675 and USD/SEK 10.39

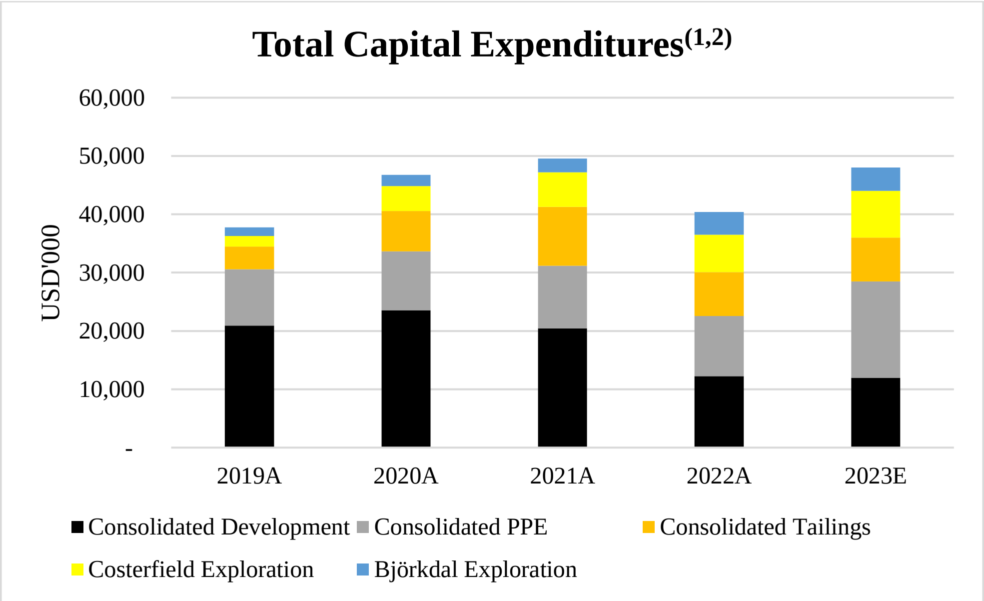
Capital exploration spending is as follows:

- Björkdal: $3-5 million
- Costerfield: $7-9 million

Capital expenditures at Costerfield and Björkdal to be carried out at the tailings storage facilities of $6-8 million.



1. 2023E average production graphed.



1. Excludes Cerro Bayo capital expenditures spending.
2. 2023E average CAPEX graphed

1.1 RESULTS OF OPERATIONS

Costerfield Gold-Antimony Mine, Victoria, Australia

Costerfield Financial Results

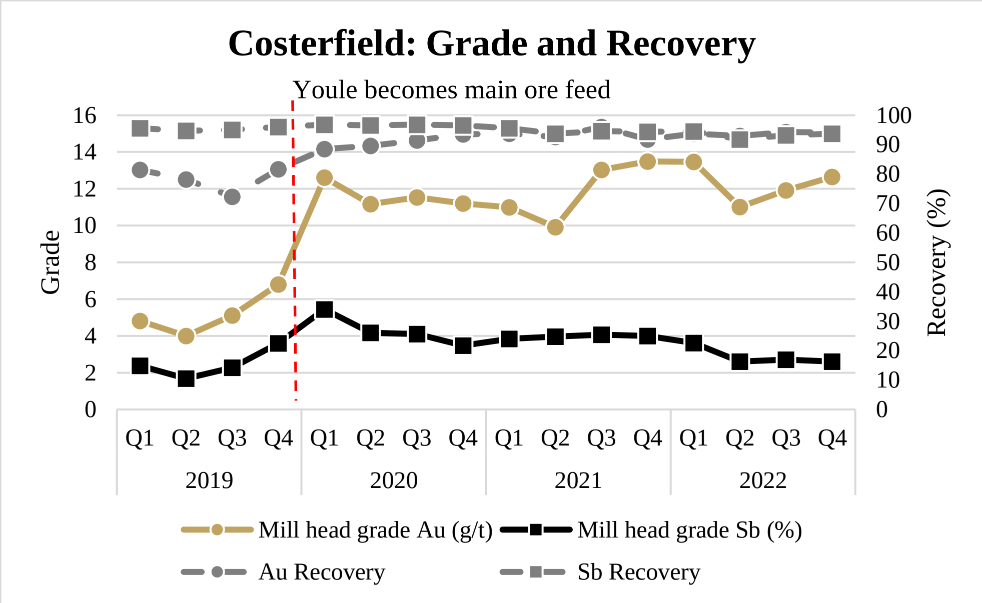
	Three months ended December 31		Year ended December 31	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Revenue	25,767	49,205	116,803	131,357
Cost of sales	7,678	16,122	41,153	42,299
Income from operations (excl. depr. & depletion)[3]	18,089	33,083	75,650	89,058
General and administrative costs[1]	191	204	933	902
Adjusted EBITDA[2,3]	18,085	33,048	75,538	88,862
Depreciation & depletion	3,076	3,278	14,446	19,051
Adjusted EBIT[3]	14,822	29,601	60,271	69,105
Unrealized loss (gain) on hedge	(83)	2,476	(931)	426
Finance costs, forex and others[3,4]	4,902	1,824	(667)	216
Income before tax	10,003	25,301	61,869	68,463
Current tax expense	2,620	7,337	15,358	18,247
Deferred tax expense	221	151	3,303	2,452
Adjusted net income[3]	7,079	20,289	42,277	48,190
Consolidated net income after tax	7,162	17,813	43,208	47,764
Capital development	678	1,415	3,521	10,426
Property, plant and equipment purchases	1,584	723	6,697	4,302
Capitalized exploration	1,747	1,597	6,421	5,940
Total capital expenditures	4,009	3,735	16,639	20,668

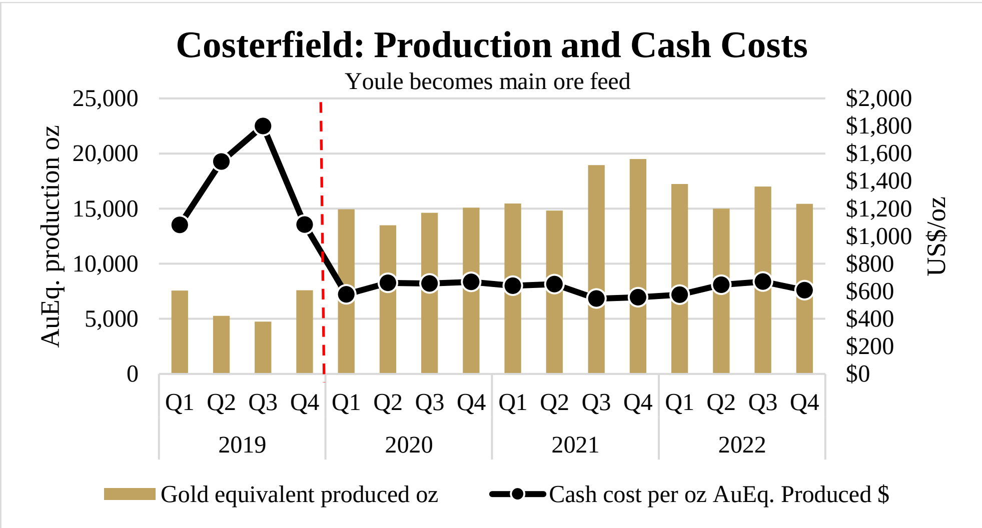
1. Includes intercompany transfer pricing costs of $187,000 and $821,000 in the three months and year ended December 31, 2022 and $169,000 and $706,000 in the corresponding periods of 2021.
2. Does not include intercompany transfer pricing recharge costs.
3. Income from operations (excl. depreciation & depletion), Adjusted EBITDA, Adjusted EBIT 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. Finance costs includes realized loss on gold hedge of $797,000 and $3,280,000 in the three months and year ended December 31, 2022 and $225,000 and $28,000 in the corresponding periods of 2021.
4. Others includes such items as gain/loss on disposals of properties and intercompany transfer pricing recharge for marketing fees of $520,000 and $2,340,000 for the three months and year ended December 31, 2022, and $984,000 and $2,769,000 for the corresponding periods in 2021.

Costerfield Operating Results

		Three months ended December 31		Year ended December 31	
		2022	2021	2022	2021
Operating development	m	739	1,026	3,532	4,660
Mined ore	t	30,430	49,171	137,462	173,727
Mined ore Au grade	g/t	11.75	11.57	12.71	10.98
Mined ore Sb grade	%	3.56	3.05	2.89	3.50
Mined contained Au	oz	11,496	18,284	56,173	61,305
Mined contained Sb	t	1,083	1,501	3,970	6,087
Mining cost per tonne ore	$/t	174	128	167	142
Processed ore	t	32,996	36,164	138,484	145,480
Processed ore mill head grade Au	g/t	12.65	13.49	12.21	11.84
Processed ore mill head grade Sb	%	2.60	3.99	2.87	3.96
Recovery Au	%	94.23	91.78	93.83	93.57
Recovery Sb	%	93.77	94.37	93.37	94.58
Saleable Au produced	oz	12,085	13,397	47,887	47,753
Saleable Sb produced	t	504	830	2,292	3,380
Saleable Au equivalent produced	oz	15,427	19,507	64,659	68,729
Processing cost per tonne ore	$/t	56.46	54.17	57.83	48.01
Au sold in gravity concentrate	oz	7,979	8,221	32,597	27,982
Au sold in floatation concentrate	oz	3,724	8,836	15,840	21,603
Au sold (total)	oz	11,703	17,057	48,437	49,585
Sb sold	t	484	1,334	2,316	3,627
Capital development metres	m	101	284	543	2,038
Capital development cost per metre	$/m	6,700	4,981	6,482	5,115
Cash cost per tonne ore processed [1,2]	$/t	284	300	291	280
Adjusted EBITDA per tonne ore processed [1,2]	$/t	548	914	545	611
Cash cost per oz Au eq. produced [1,2]	$/oz	608	557	624	593
Site all-in sustaining cost per oz Au eq. produced [1,2]	$/oz	800	731	830	866

1. Does not include intercompany transfer pricing recharge costs.
2. Cash and site all-in sustaining costs and adjusted EBITDA 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.





Costerfield – Three Months Ended December 31, 2022 and 2021

- ***Production*** – Saleable gold production for Q4 2022 was 12,085 ounces, a 10% decrease from the 13,397 ounces produced in Q4 2021. Saleable antimony production during Q4 2022 was 504 tonnes, a decrease from the 830 tonnes produced in Q4 2021. Gold equivalent production for Q4 2022 was 15,427 ounces, a 21% decrease from the 19,507 gold equivalent ounces produced in Q4 2021. Processed gold grades were lower during Q4 2022 at 12.65 g/t gold as compared to 13.49 g/t gold in Q4 2021. Processed antimony grades were lower at 2.60% during Q4 2022 as compared to 3.99% in Q4 2021.

- ***Revenue*** – Costerfield's revenue for Q4 2022 was $25.8 million, a 48% decrease from $49.2 million in Q4 2021. The gold equivalent ounces sold in Q4 2021 was exceptionally higher-than-average because of the level of concentrate sold during Q4 2021 due to the delay of shipments during Q3 2021 as well as decline in realized gold and antimony prices during Q4 2022 as compared to Q4 2021. Gold equivalent ounces sold decreased by 45% to 14,913 ounces in Q4 2022, as compared to 26,877 ounces in Q4 2021.

- ***Operating Costs*** – Cost of sales, excluding depletion and depreciation at Costerfield, was $7.7 million for Q4 2022, compared to $16.1 million during Q4 2021. The decrease in the current quarter is mainly due to an increase in inventory.

- ***Income from Operations*** – Income from mine operations before depreciation and depletion at Costerfield during Q4 2022 was $18.1 million, adjusted EBITDA was $18.1 million, adjusted net income was $7.1 million and net income after tax was $7.2 million. Comparable results for Q4 2021 were income from mine operations before depreciation and depletion of $33.1 million, adjusted EBITDA of $33.0 million, adjusted net income of $20.3 million and net income after tax of $17.8 million. The decrease in income from operations is due to a decrease in revenue during Q4 2022.

- ***Depletion and Depreciation*** – Depletion and depreciation expense at Costerfield decreased to $3.1 million in Q4 2022, compared to $3.3 million for Q4 2021 mainly due to a lower production in the current period.

- ***Cost per Ounce*** – Cash cost per ounce of saleable gold equivalent produced at Costerfield in Q4 2022 was $608 compared to $557 in Q4 2021. All-in sustaining cost per ounce of saleable gold equivalent produced in Q4 2022 was $800 compared to $731 in Q4 2021. These per ounce costs were higher as compared to Q4 2021 due to lower production.

- ***Capital Expenditures*** **–** Capital expenditures in Q4 2022 totaled $4.0 million ($0.7 million in capital development costs, $1.7 million for exploration, and $1.6 million in property, plant and equipment) as compared to the $3.7 million ($1.4 million in capital development costs, $1.6 million for exploration, and $0.7 million for property, plant and equipment) during Q4 2021.

Costerfield – Years Ended December 31, 2022 and 2021

- ***Production*** — Saleable gold production in 2022 was 47,887 ounces, a slight increase from the 47,753 ounces produced in 2021. Saleable antimony production for 2022 was 2,292 tonnes, a 32% decrease from the 3,380 tonnes produced in 2021. Gold equivalent production for 2022 was 64,659 ounces, a 6% decrease from the 68,729 gold equivalent ounces produced in 2021. Processed gold grades were higher in 2022 at 12.21 g/t gold as compared to 11.84 g/t gold in 2021. Processed antimony grades were lower in 2022 at 2.87% as compared to 3.96% in 2021.

- ***Revenue*** – Costerfield's revenue in 2022 was $116.8 million, an 11% decrease from $131.4 million in 2021. This was due to a decrease in gold equivalent ounces sold. Gold equivalent ounces sold decreased by 10% to 65,414 ounces in 2022 as compared to 72,598 ounces in 2021.

- ***Operating Costs*** – Cost of sales, excluding depletion and depreciation at Costerfield, was $41.2 million in 2022, compared to $42.3 million for 2021. This decrease was mainly due to increase in the value of inventory build-up during 2022 as compared 2021.

- ***Income from Operations*** – Income from mine operations before depreciation and depletion at Costerfield in 2022 was $75.7 million, adjusted EBITDA was $75.5 million, adjusted net income was $42.3 million and net income after tax of $43.2 million. Comparable results for 2021 were income from mine operations before depreciation and depletion of $89.1 million, adjusted EBITDA of $88.9 million, adjusted net income of $48.2 million and net income after tax of $47.8 million.

- ***Depletion and Depreciation*** – Depletion and depreciation expense at Costerfield decreased to $14.4 million in 2022 compared to $19.1 million for 2021 mainly due to lower production and a lower unit depletion rate during current year.

- ***Cost per Ounce*** – Cash cost per ounce of saleable gold equivalent produced at Costerfield for 2022 was $624 compared to $593 in 2021. Cash cost per ounce was higher due to lower gold equivalent production. All-in sustaining cost per ounce of saleable gold equivalent produced in 2022 was $830 compared to $866 in 2021. This decrease was mainly due to lower sustaining capital expenditures.

- ***Capital Expenditures*** – Capital expenditures in 2022 totalled $16.6 million ($3.5 million in capital development costs, $6.4 million for exploration, and $6.7 million in property, plant and equipment) as compared to the $20.7 million ($10.5 million in capital development costs, $5.9 million for exploration, and $4.3 million for property, plant and equipment) during 2021. The lower capital expenditures were due to decrease in capital development activities in the current year.

Björkdal Gold Mine, Sweden

Björkdal Financial Results

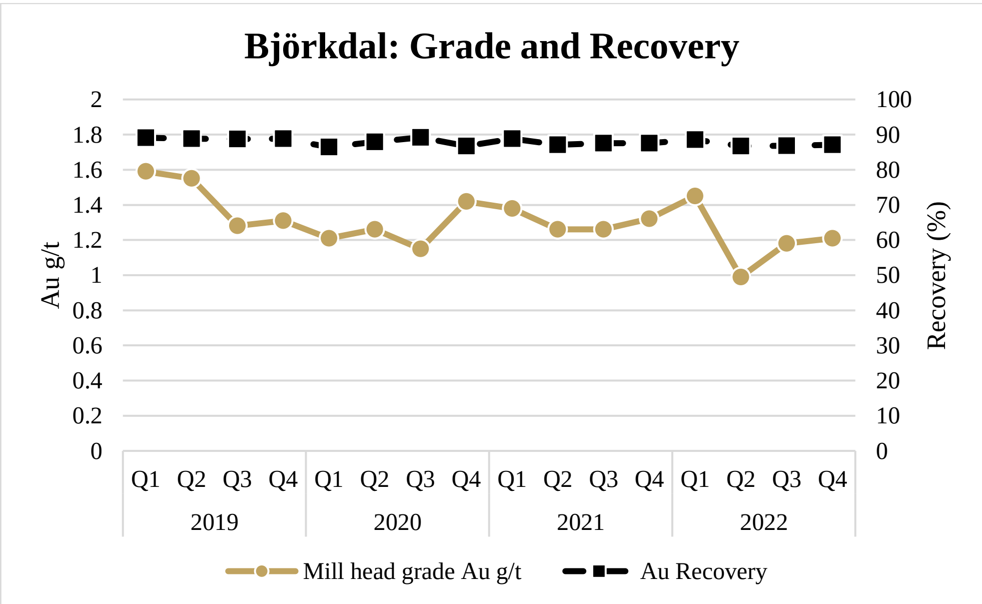
	Three months ended December 31		Year ended December 31	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Revenue	15,614	21,456	74,896	85,342
Cost of sales	12,294	12,581	53,751	57,423
Income from operations (excl. depreciation & depletion) (4)	3,320	8,875	21,145	27,919
General and administrative costs (1)	135	140	634	572
Adjusted EBITDA (2,4)	3,320	8,875	21,145	27,919
Depreciation & depletion	5,131	4,975	19,426	19,331
Adjusted EBIT (4)	(1,946)	3,760	1,085	8,016
Unrealized loss (gain) on hedge	1,127	1,604	(5,609)	(9,620)
Finance costs, forex and others (3)	(661)	3,067	14,530	11,547
Income (loss) before tax	(2,412)	(911)	(7,836)	6,089
Current tax recovery	(11)	-	-	-
Deferred tax expense (recovery)	(970)	(279)	(1,885)	1,146
Adjusted net income (loss) (4)	347	972	(10,909)	(4,677)
Consolidated net income (loss) after tax	(1,431)	(632)	(5,951)	4,943
Capital development cost	2,570	2,803	8,748	10,015
Capital purchases	3,335	4,512	11,100	16,095
Capitalized exploration	1,114	753	3,885	2,376
Total capital expenditure (5)	7,019	8,068	23,733	28,486

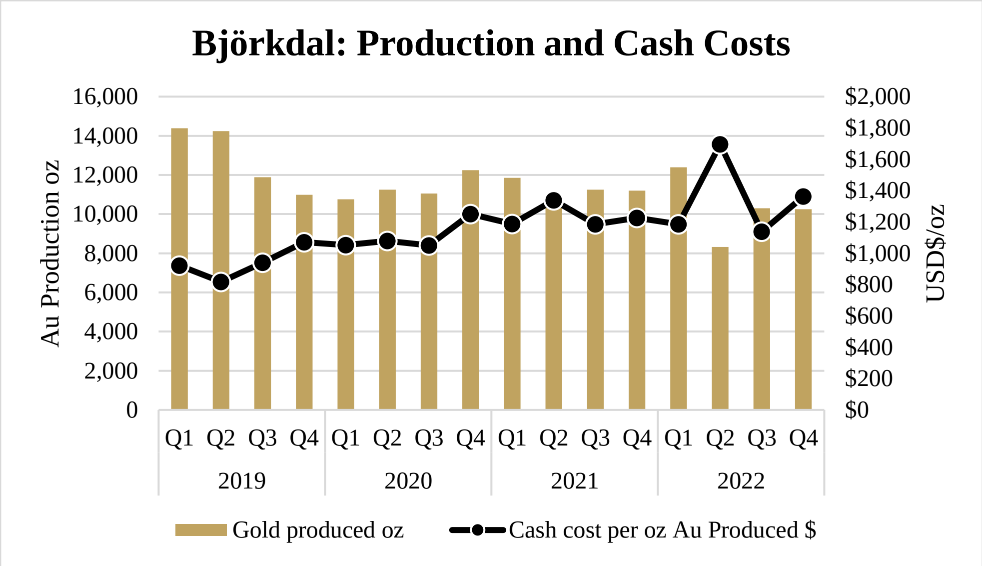
1. Includes intercompany transfer pricing recharge costs of $135,000 and $634,000 for the three months and year ended December 31, 2022 and $140,000 and $572,000 for the same periods in 2021.
2. Does not include intercompany transfer pricing recharge costs.
3. Finance costs includes realized loss on gold hedge of $701,000 and $4,594,000 in Q4 2022 and full-year 2022, respectively, compared to $1,110,000 and $4,564,000 in Q4 2021 and full-year 2021, respectively. Others includes such items as write off of assets, gain/loss on disposals of properties and intercompany transfer pricing recharge for marketing fees and stock-based compensation of $326,000 and $1,552,000 for the three months and year ended December 31, 2022 and $440,000 and $1,744,000 for the corresponding periods of 2021.
4. Income from operations (excl. depreciation & depletion), Adjusted EBITDA, Adjusted EBIT 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.
5. Includes capitalized depreciation on equipment.

Björkdal Operating Results

		Three months ended December 31		Year ended December 31	
		2022	2021	2022	2021
Underground mining					
Operating development	m	1,337	1,602	5,495	5,988
Mined ore	t	246,042	275,632	1,100,241	1,071,212
Mined ore Au grade	g/t	1.36	1.40	1.28	1.41
Mined contained Au	oz	10,725	12,407	45,440	48,436
Mining cost per tonne ore	$/t	28.50	24.64	26.44	25.97
Processed ore	t	311,576	308,104	1,249,350	1,259,949
Processed ore mill head grade Au	g/t	1.21	1.32	1.21	1.32
Recovery Au	%	87.06	87.55	87.34	86.76
Saleable Au produced	oz	10,256	11,190	41,247	45,236
Processing cost per tonne ore	$/t	11.36	10.08	10.02	9.85
Au sold	oz	9,569	10,749	40,680	46,254
Capital development (underground)	m	722	813	3,075	3,076
Capital development cost per metre	$/m	3,441	3,064	2,802	2,980
Cash operating cost per tonne ore processed[(1)]	$/t	44.85	44.57	43.62	44.27
Adjusted EBITDA per tonne ore processed[(1,2)]	$/t	10.66	28.81	16.92	22.16
Cash cost per oz Au produced[(1,2)]	$/oz	1,362	1,227	1,321	1,233
Site all-in sustaining cost per oz Au produced[(1,2)]	$/oz	1,774	1,700	1,656	1,609

1. Does not include intercompany transfer pricing recharge costs.
2. Adjusted EBITDA, cash and site 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.





Björkdal – Three Months Ended December 31, 2022 and 2021

- ***Production*** – Saleable gold production at Björkdal in Q4 2022 was 10,256 ounces, an 8% decrease from the 11,190 ounces produced in Q4 2021 due to lower feed grades at the processing plant.

- ***Revenue*** – Björkdal's revenue for Q4 2022 was $15.6 million, a decrease of 27% from the $21.5 million generated in Q4 2021. This decrease was due to fewer gold ounces sold with 9,569 ounces in Q4 2022 as compared to 10,749 gold ounces in Q4 2021 and a decline in realized gold prices during the same period.

- ***Operating Costs*** – Cost of sales, excluding depreciation and depletion at Björkdal, was $12.3 million in Q4 2022, lower than $12.6 million for Q4 2021. This decrease was mainly due to an increase in inventory during the current quarter.

- ***Income from Operations*** – Income from mine operations before depreciation and depletion at Björkdal for Q4 2022 was $3.3 million, adjusted EBITDA was $3.3 million, adjusted net income was $0.3 million and net loss after tax was $1.4 million. Comparable results for Q4 2021 were income from mine operations before depreciation and depletion of $8.9 million, adjusted EBITDA of $8.9 million, adjusted net income of $1.0 million and net loss after tax of $0.6 million.

- ***Depletion and Depreciation*** – Depletion and depreciation expense at Björkdal was $5.1 million in Q4 2022, similar to $5.0 million for the same period in 2021.

- ***Cost per Ounce*** – Cash cost per ounce of saleable gold produced at Björkdal for Q4 2022 was $1,362, 11% higher as compared to $1,227 during Q4 2021. All-in sustaining cost per ounce of saleable gold produced for Q4 2022 was $1,774, 4% higher than the $1,700 during Q4 2021. These costs were higher mainly due to lower production.

- ***Capital Expenditures*** – Capital expenditures at Björkdal for Q4 2022 totaled $7.0 million ($2.6 million in mine development costs, $1.1 million for exploration, and $3.3 million in property, plant and equipment) compared with $8.1 million ($2.8 million in mine development costs, $0.8 million for exploration, and $4.5 million for property, plant and equipment) during Q4 2021.

Björkdal – Years Ended December 31, 2022 and 2021

- ***Production*** – Saleable gold production at Björkdal for 2022 was 41,247 ounces, a 9% decrease from the 45,236 ounces produced during 2021 due to lower tonnes and grades processed.

- ***Revenue*** – Björkdal's revenue in 2022 was $74.5 million, lower than the $85.3 million generated in 2021. This was due to lower gold ounces sold in 2022 compared to 2021.

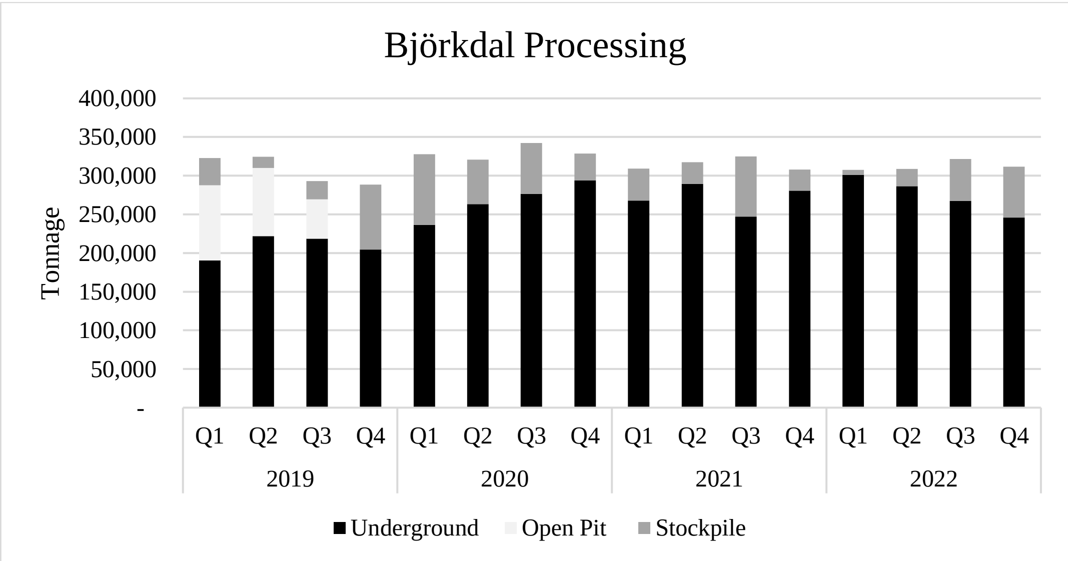
- ***Operating Costs –*** Cost of sales excluding depreciation and depletion at Björkdal was $53.8 million in 2022, lower than the $57.4 million during 2021. This decrease was mainly due to increase in the value of inventory build-up during 2022 as compared to 2021.

- ***Income from Operations*** – Income from mine operations before depreciation and depletion at Björkdal in 2022 was $21.1 million, adjusted EBITDA was $21.1 million, adjusted net loss was $10.9 million and net loss after tax was $6.0 million. Comparable results of 2021 were income from mine operations before depreciation and depletion of $27.9 million, adjusted EBITDA of $27.9 million, adjusted net loss of $4.7 million and net income after tax was $4.9 million.

- ***Depletion and Depreciation*** – Depletion and depreciation expense at Björkdal was $19.4 million in 2022, almost similar to $19.3 million in 2021.

- ***Cost per Ounce*** – Cash cost per ounce of gold produced at Björkdal for 2022 was $1,321, 7% higher than the cash cost per ounce of gold produced in 2021 of $1,233. All-in sustaining cost per ounce of gold produced for 2022 was $1,656, 3% higher than the all-in sustaining cost per ounce of gold produced in 2021 of $1,609. These costs were higher in 2022 compared to 2021 primarily due to lower production.

- ***Capital Expenditures*** – Capital expenditures at Björkdal in 2022 totalled $23.7 million ($8.7 million in mine development costs, $3.9 million for exploration, and $11.1 million in property, plant and equipment) compared with $28.5 million ($10.0 million in mine development costs, $2.4 million for exploration and $16.1 million for property, plant and equipment) during 2021. The decrease in capital expenditures was primarily due to lower amounts spent on mining equipment and tailings spend.



Non-Core Properties

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$11.0 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 $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);
- C$1.5 million in shares and C$1.0 million in cash (received upon the final closing of the transaction in Q3 2022); and
- C$0.5 million in cash payable on or before December 31, 2022. (received in Q4 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. For the year ended December 31, 2021, 678,794 shares were sold at an average price of C$0.57 per share.

The Company completed the sale of Challacollo to Aftermath on August 10, 2022. At closing, Aftermath paid the Company C$1.0 million in cash and 6,122,448 Aftermath shares with a fair value of C$0.245 per share. On November 24, 2022, the Company received a final payment of C$0.5 million plus interest of C$17,000 in cash. The Company also received a 3% net smelter returns royalty on production at Challacollo, capped at $3.0 million. The Company recognized a gain of $1.8 million related to sale of Challacollo and during the year ended December 31, 2022, the Company sold 1,376,000 shares at an average of C$0.31 per share.

Lupin

The Company spent less than $0.1 million on care and maintenance at Lupin during Q4 2022 and $0.1 million for Q4 2021. Reclamation expenditures at Lupin was $0.1 million and $5.0 million for the three months and year ended December 31, 2022, respectively, compared to $1.2 million and $8.7 million for the corresponding periods of 2021. Lupin is currently in the process of final closure and reclamation activities mainly funded by progressive security reductions. As at December 31, 2022, $8.5 million in restricted cash stands as a deposit against the present value of reclamation cost obligations of $12.7 million. As at July 13, 2022, the Company received C$3.1 million from its restricted cash as a part-compensation for work completed to date. As a result of a review of the remaining reclamation costs, the reclamation liability was revised by $9.9 million during 2022.

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 2022, which was similar to the comparative period in 2021.

1.2 FOURTH QUARTER FINANCIAL RESULTS

Summary Financial Performance

	Three months ended December 31		Year ended December 31	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Revenue	41,381	72,904	191,699	229,396
Cost of sales	19,972	30,609	94,904	108,853
Income from operations (excl. depr. and depletion) (1)	21,409	42,295	96,795	120,543
Depreciation and depletion	8,207	8,253	33,874	38,382
Income from mining operations	13,202	34,042	62,921	82,161
General and administrative costs	1,272	1,647	5,616	5,583
Adjusted EBITDA(1)	20,137	40,648	91,179	114,960
Finance costs	2,916	2,405	11,878	8,738
Unrealized loss (gain) on financial instruments	711	4,825	(5,247)	(7,892)
Gain on sale of subsidiary	-	(7,105)	(1,828)	(7,105)
Revision of reclamation liability, forex and others(2)	5,400	9,727	12,220	6,113
Consolidated income before tax	2,903	22,543	40,282	76,724
Current tax expense	2,609	7,337	15,358	18,247
Deferred tax expense (recovery)	(749)	(128)	1,418	3,598
Adjusted net income (1)	5,202	21,992	26,971	49,203
Consolidated net income	1,043	15,334	23,506	54,879
Adjusted income per share(1)	0.06	0.24	0.29	0.54
Consolidated income per share	0.01	0.17	0.26	0.60
Total assets	282,224	317,843	282,224	317,843
Total liabilities	98,070	141,156	98,070	141,156
Total equity	184,154	176,687	184,154	176,687
Capital expenditures – Consolidated(3)				
Underground capital development	3,248	4,218	12,269	20,441
Property, plant and equipment purchases	4,919	5,449	17,797	20,825
Capitalized exploration	2,861	2,583	10,620	9,037
Total capital expenditures	11,028	12,250	40,686	50,303

1. Income from operations (excl. depreciation & depletion), adjusted EBITDA, adjusted net income and adjusted income per share 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, loss (gain) on sale of assets, write down of assets and interest income.
3. Includes capitalized spending from non-operating sites.

Summary Balance Sheet

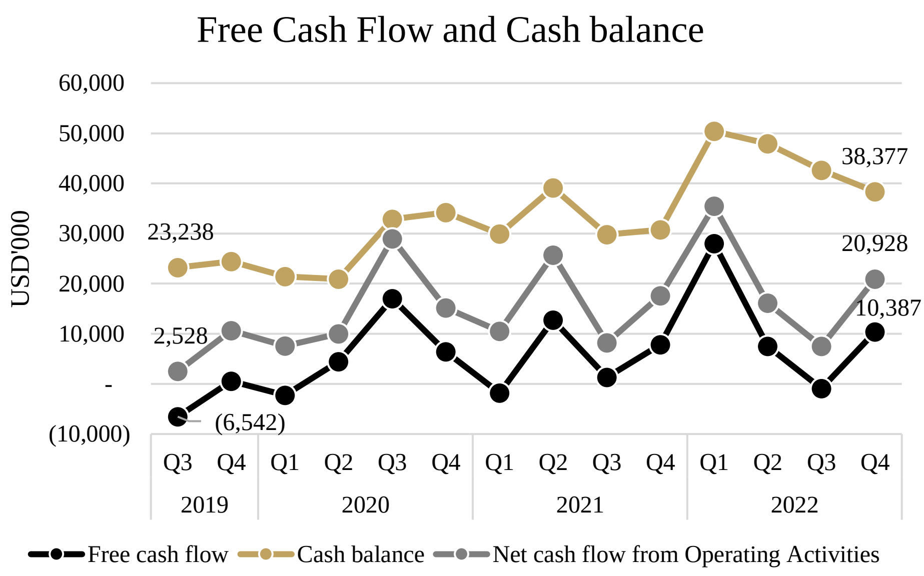
	As at December 31, 2022	As at December 31, 2021
	$'000	**$'000**
Cash and cash equivalents	38,377	30,738
Inventories, accounts rec. and other current assets	45,908	82,691
Assets held for sale	-	906
Total current assets	**84,285**	**114,335**
Property, plant and equipment	183,908	193,731
Reclamation deposits and other non-current assets	14,031	9,777
Total assets	**282,224**	**317,843**
Syndicated Facility – *current*	-	15,111
Other current liabilities	37,225	62,816
Liabilities held for sale	-	478
Total current liabilities	**37,225**	**78,405**
Revolving Credit Facility	19,562	-
Syndicated Facility – *non-current*	-	27,658
Non-current liabilities	41,283	35,093
Equity attributable to common shareholders	184,154	176,687
Total equity and liability	**282,224**	**317,843**

Summary Cash Flow

The table below summarizes the Company's cash flow for the three months and year ended December 31, 2022 and 2021 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, 2022	Three months ended December 31, 2021	Year ended December 31, 2022	Year ended December 31, 2021
	$'000	**$'000**	**$'000**	**$'000**
Net cash flows from operating activities	**20,928**	**17,625**	**80,042**	**62,033**
Reclamation expenditures	963	1,890	7,435	6,082
Capital expenditures	(10,845)	(11,218)	(39,670)	(48,109)
Lease payments	(659)	(469)	(2,834)	(1,837)
Free cash flow[1]	**10,387**	**7,828**	**44,973**	**18,169**
Net reclamation expenditures	(963)	(1,890)	(5,059)	(3,937)
Proceeds from sale of non-core assets	-	-	-	1,847
Net repayment on borrowings	(13,390)	(4,120)	(24,498)	(15,081)
Payment of gold derivative contracts	(1,038)	(1,307)	(7,610)	(4,718)
Proceeds from sale of marketable securities	303	272	303	272
Shares issued for cash	65	84	246	130
Effects of exchange rate changes	366	107	(716)	(150)
Net cash flow	(4,270)	974	7,639	(3,468)
Cash/cash equivalents, end of period	**38,377**	**30,738**	**38,377**	**30,738**

1 Free cash flow is not standardized financial measure 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.



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, 2022 and 2021. See Section 1.14, "Non-IFRS Measures", for more information.

	Three months ended December 31, 2022	Three months ended December 31, 2021	Year ended December 31, 2022	Year ended December 31, 2021
	$'000	$'000	$'000	$'000
Consolidated net income	1,043	15,334	23,506	54,879
Add/less: Special items				
Gain on sale of subsidiary	-	(7,105)	(1,828)	(7,105)
Revision of reclamation liability	2,797	6,733	9,889	6,733
Fair value loss (gain) on fin. instruments	711	4,825	(5,247)	(7,892)
Care and maintenance costs	-	102	-	485
Write-down of assets	651	2,103	651	2,103
Adjusted net income	**5,202**	**21,992**	**26,971**	**49,203**
Add/less: Non-cash and finance costs				
Depletion and depreciation	8,207	8,253	33,874	38,382
Loss (gain) on disposal of PPE	32	44	334	(558)
Share based compensation expense	418	320	1,392	852
Finance charges	2,916	2,405	11,878	8,738
Current tax expense	2,609	7,337	15,358	18,247
Deferred tax (recovery) expense	(749)	(128)	1,418	3,598
Foreign exchange loss (gain)	1,871	293	791	(3,354)
Interest and other income	(369)	132	(837)	(148)
Adjusted EBITDA	**20,137**	**40,648**	**91,179**	**114,960**
Depletion and depreciation	8,207	8,253	33,874	38,382
Adjusted EBIT	**11,930**	**32,395**	**57,305**	**76,578**

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, 2022 and 2021. Refer to Section 1.14, "Non-IFRS Measures", for further information.

	Three months ended December 31, 2022	Three months ended December 31, 2021	Year ended December 31, 2022	Year ended December 31, 2021
	$'000	$'000	$'000	$'000
Cost of sales, excluding depletion and depreciation	**19,972**	**30,609**	**94,904**	**108,853**
Add:				
General and administrative costs	4	35	112	153
Less:				
Change in inventory	4,115	(2,333)	3,085	1,897
Royalties	(735)	(1,263)	(3,255)	(3,535)
Total cash cost	**23,356**	**27,048**	**94,846**	**107,368**
Saleable Au equivalent produced (oz)	25,683	32,363	105,906	123,002
Cash cost per oz gold produced ($)	**909**	**836**	**896**	**873**

	Three months ended December 31, 2022	Three months ended December 31, 2021	Year ended December 31, 2022	Year ended December 31, 2021
	$'000	$'000	$'000	$'000
Total Cash cost	**23,356**	**27,048**	**94,846**	**107,368**
Add:				
General and administrative costs	1,268	1,612	5,480	5,424
Capital development	3,247	4,218	12,269	20,441
Capital purchases – sustaining	2,978	3,149	10,313	10,720
Capital exploration – infill drilling	196	271	1,247	1,497
Royalties	735	1,263	3,255	3,536
Accretion on rehabilitation provisions	225	55	403	83
All-in sustaining cost	**32,005**	**37,616**	**127,813**	**149,069**
Saleable Au equivalent produced (oz)	25,683	32,363	105,906	123,002
All-in sustaining cost per oz Au prod. ($)	**1,246**	**1,162**	**1,207**	**1,212**

Consolidated Financial Results - Three Months Ended December 31, 2022 and 2021

- ***Revenue*** – Consolidated revenue for Q4 2022 was $41.4 million, 43% lower than the $72.9 million in Q4 2021. Consolidated gold equivalent ounces sold decreased to 24,482 ounces in Q4 2022 as compared to 38,904 ounces sold in Q4 2021. This was due to higher-than-average level of concentrate sold at Costerfield during Q4 2021 due to the delay of shipments during Q3 2021, absence of any revenue from Cerro Bayo in the current quarter compared to $2.2 million in Q4 2021 and also a decline in realized gold and antimony prices in Q4 2022 as compared to Q4 2021.

- ***Operating Costs*** – Consolidated cost of sales, excluding depreciation and depletion, was $20.0 million for Q4 2022 compared to $30.6 million for Q4 2021. The decrease in Q4 2022 costs were mainly due to an inventory build-up at Costerfield.

- ***Income from Operations*** – Consolidated income from mine operations before depreciation and depletion for Q4 2022 was $21.4 million, adjusted EBITDA was $20.1 million, adjusted net income was $5.2 million and net income after tax was $1.0 million. Comparable results for Q4 2021 were income from mine operations before depreciation and depletion of $42.3 million, adjusted EBITDA of $40.6 million, adjusted net income of $22.0 million and net income after tax of $15.3 million.

- ***Depletion and Depreciation*** – Depletion and depreciation expense in Q4 2022 was $8.2 million compared to $8.3 million in Q4 2021. The decrease in Q4 2022 was mainly due to reduced production.

- ***Cost per Ounce*** – Consolidated cash cost per ounce of saleable gold equivalent produced for Q4 2022 was $909, a 9% increase compared to $836 during Q4 2021. Consolidated all-in sustaining cost per ounce of saleable gold equivalent produced for Q4 2022 was $1,246, 7% higher than Q4 2021 of $1,162. The higher unit costs were due to lower production in Q4 2022 as compared to Q4 2021.

- ***Capital Expenditures*** – Consolidated capital expenditures for Q4 2022, totaled $11.0 million ($4.0 million occurred at Costerfield and $7.0 million at Björkdal). By comparison, total capital expenditures, including capitalized depreciation and exploration, in Q4 2021 were $12.3 million ($3.8 million at Costerfield, $8.1 million at Björkdal).

Consolidated Financial Results – Years Ended December 31, 2022 and 2021

- ***Revenue*** – Consolidated revenue generated in 2022 was $191.7 million, a 16% decrease from $229.4 million in 2021 due to lower gold equivalent ounces sold at both Costerfield and Björkdal and also the absence of revenue from Cerro Bayo. Consolidated gold equivalent ounces sold decreased by 16% to 106,094 ounces in 2022 compared to 126,241 ounces in 2021.

- ***Operating Costs*** – Consolidated cost of sales, excluding depreciation and depletion, was $94.9 million in 2022 compared to $108.9 million during 2021. The decrease in costs were mainly due to lower costs reported at Björkdal from foreign exchange movements.

- ***Income from Operations*** – Consolidated income from mine operations before depreciation and depletion in 2022 was $96.8 million, adjusted EBITDA was $91.2 million, adjusted net income was $27.0 million and net income after tax was $23.5 million. Comparable results for 2021 were income from mine operations before depreciation and depletion of $120.5 million, adjusted EBITDA of $115.0 million, adjusted net income of $49.2 million and a net income after tax of $54.9 million.

- ***Depletion and Depreciation*** – Depletion and depreciation expense decreased to $33.9 million in 2022 compared to $38.4 million in 2021. The decrease in 2022 was mainly due to lower production.

- ***Cost per Ounce*** – Consolidated cash cost per ounce of gold equivalent produced in 2022 was $896, 3% higher than the cash cost per ounce of gold equivalent produced in 2021 of $873. Consolidated all-in sustaining cost per ounce of gold equivalent produced in 2022 was $1,207, slightly lower than all-in sustaining cost per ounce of gold equivalent produced in 2021 of $1,212. These per ounce cash cost was higher in 2022 compared to 2021 due to lower production. The decrease in all-in sustaining cost was driven by lower sustaining capital expenditure during 2022 compared to 2021.

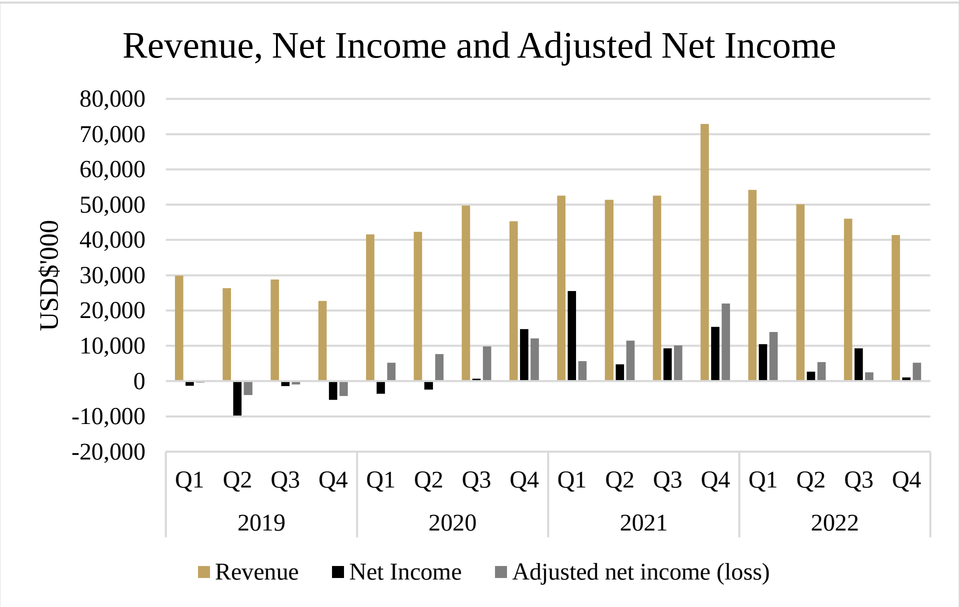
- ***Capital Expenditures*** – Consolidated capital expenditures in 2022 totalled $40.7 million ($16.6 million occurred at Costerfield and $23.7 million at Björkdal). By comparison, total capital expenditures, including capitalized depreciation and exploration in 2021 were $50.3 million ($20.7 million occurred at Costerfield and $28.5 million 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 2022	Quarter 3 2022	Quarter 2 2022	Quarter 1 2022
	$'000	$'000	$'000	$'000
Revenue	41,381	46,048	50,116	54,154
Adjusted net income	5,202	2,512	5,370	13,887
Net income	1,043	9,275	2,703	10,485
Adjusted net income per share – Basic	0.06	0.03	0.06	0.15
Net income per share – Basic and diluted	0.01	0.10	0.03	0.11

	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



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 the mining costs are in Australian Dollars (at Costerfield) and Swedish Krona (at Björkdal). The Company's results will be impacted by exchange rate variations during the reporting periods.

The increase in revenue and earnings over recent years is due to the combined impact of changes in production volumes, increases 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, 2022 – December 31, 2022	Average Rate October 1, 2021 – December 31, 2021	Average Rate January 1, 2022 – December 31, 2022	Average Rate January 1, 2021 – December 31, 2021
1A$ = C$	0.8919	0.9183	0.9036	0.9419
1 A$ = US$	0.6575	0.7285	0.695	0.7515
1 US$ = C$	1.3565	1.2606	1.3002	1.2534
1 US$ = Chilean Peso	915	827	874	761
1 US$ = SEK	10.7258	8.8681	10.1118	8.5829

Markets – Commodity Prices

Realized prices of gold and antimony were lower in Q4 2022 as compared to Q4 2021. The average market and realized commodity prices for the reporting period are summarized in the table below:

Commodity	Prices October 1, 2022 – December 31, 2022	Prices October 1, 2021 – December 31, 2021	Prices January 1, 2022 – December 31, 2022	Prices January 1, 2021 – December 31, 2021
Realized gold US$/oz[1]	1,706	1,869	1,817	1,818
Average gold US$/oz – London PM close (Transamine)	1,722	1,796	1,801	1,799
Realized antimony US$/tonne[1]	10,944	13,953	12,965	11,654
Average antimony US$/tonne – Rotterdam Warehouse (Metal Bulletin)	11,488	13,221	13,170	11,176

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, 2022, the Company's working capital was $47.1 million compared to $35.9 million at December 31, 2021. The Company had cash and cash equivalents of $38.4 million as at December 31, 2022, as compared to $30.7 million at December 31, 2021.

On December 1, 2022, the Company entered into a credit agreement with the Bank of Nova Scotia ("Scotia"), providing for a senior secured revolving credit facility in an aggregate amount up to $35.0 million (the "Revolving Credit Facility"). The initial drawdown under the Revolving Credit Facility was used to repay the Company's existing syndicated facility with the HSBC Bank Canada and Macquarie Bank Limited (the "Existing Facility"), which had $32.6 million outstanding before repayment. The residual proceeds from the Revolving Credit Facility will be used for general corporate and working capital purposed. The hedge arrangements entered into in connection with the Syndicated Facility will remain in place until their expiry in June 2023.

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 $25 million, and (ii) a senior secured term credit facility in an aggregate amount of up to $40 million (the "Syndicated Facility"). The Syndicated Facility amends and restates the Company's previous $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. As at December 31, 2022, the Company has fully repaid 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 consisted 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 2022, the Company paid $1.0 million as settlement of expired gold derivatives contracts as compared to $1.3 million in Q4 2021.

1.6 CONTRACTUAL COMMITMENTS AND CONTINGENCIES

Revolving Credit Facility

On December 1, 2022, the Company entered into a credit agreement with the Bank of Nova Scotia ("Scotia"), providing for a senior secured revolving credit facility in an aggregate amount up to $35.0 million (the "Revolving Credit Facility").

The initial drawdown under the Revolving Credit Facility was used to repay the Company's existing syndicated facility with the HSBC Bank Canada and Macquarie Bank Limited (the "Existing Facility") which had $32.6 million outstanding before repayment. The residual proceeds from the Revolving Credit Facility will be used for general corporate and working capital purposed. The hedge arrangements entered into in connection with the Existing Facility will remain in place until their expiry in June 2023.

The Revolving Credit Facility has the following financial covenants:

- Interest Coverage Ratio of not less than 4.00:1.00 at all times;
- Total Net Leverage Ratio of not more than 3.50:1.00 at all times;
- Adjusted Tangible Net Worth of not less than $135,739,000 plus 50% of net income (cumulative) earned after the Closing Date, less any write-downs related to non-core assets (including La Quebrada and Lupin) and add/less any fair value loss/gain related to the gold derivative contracts

As at December 31, 2022, the Company was in compliance with all financial covenants under the Revolving Credit Facility.

The Revolving Credit Facility has a term of three years with no hedging requirements and has a maturity date of December 1, 2025. The Company may cancel any unused portion of the Revolving Credit Facility without penalty at any time and may also repay any portion of the loan without penalty, subject to certain exceptions. The Company can repay the outstanding principal amount on or before maturity date. In connection with the Revolving Credit Facility, Scotia Bank will hold security over the majority of the Company's material assets.

The Revolving Credit Facility has an effective interest rate of 8.23% plus a nominal interest rate of SOFR plus 2.85% as at December 31, 2022.

During Q4 2022, the Company paid $15.0 million against the Revolving Credit Facility, leaving $20.0 million as the outstanding principal value at year end.

$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 Syndicated Facility had a three-year term and it was due for the maturity date, March 16, 2023.

As at December 31, 2022, the Syndicated Facility was repaid in full.

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 consisted 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. As at December 31, 2022, 12,500 ounces of saleable gold and 14,584 ounces of saleable gold contracts are yet to be matured for hedging programs with HSBC and Macquarie, respectively. The Company recognized an unrealized fair value loss of $1.0 million and an unrealized fair value gain of $6.5 million for the three months and year ended December 31, 2022 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, 2022, the Company paid $1.0 million and $7.6 million, respectively, as settlement of expired gold derivatives contracts as compared to $1.3 million and $4.7 million in the corresponding periods of 2021. 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 May 5, 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 Aftermath shares at an average of C$0.57 per share. On August 10, 2022, the Company received additional 6,122,448 shares of Aftermath with a fair value of C$0.245 per share as a part of sale consideration on closing. During the year ended December 31, 2022, the Company has sold 1,376,000 Aftermath shares at an average of C$0.31 per share. The value of securities as at December 31, 2022 is $1.2 million. These securities are stated at fair value with any resulting gain or loss recognized in the income statement. The Company recorded an unrealized fair value gain of $0.5 million and loss of $0.1 million for the three months and year ended December 31, 2022, respectively, using Level 1 assumptions. The Company has recorded a realized fair value gain of $0.1 million for the year ended December 31, 2022.

On December 18, 2021, the Company received 29,375,121 shares (after consolidation of 20 shares into 1 share) of Equus Mining Ltd with a fair value of A$0.18 per share as part of the compensation under the Cerro Bayo sale agreement. The value of securities as at December 31, 2022 is $1.6 million. Equus securities are stated at fair value with any resulting gain or loss recognized in the income statement. The Company recorded an unrealized fair value loss of $0.2 million and $1.3 million for the three months and year ended December 31, 2022, respectively, using Level 1 assumptions.

Contractual Obligations as at December 31, 2022

Contractual obligations	**Payments due by year ($ '000)**		**Total ($ '000)**
	Less than 1 year	**1-3 years**	
Revolving Credit Facility	-	20,000	**20,000**
Lease obligations	1,391	2,504	**3,895**
Other equipment loan obligations	348	214	**562**
Total contractual obligations	**1,739**	**22,718**	**24,457**

1.7 OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

1.8 TRANSACTIONS WITH RELATED PARTIES

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and its executive officers.

During the year ended December 31, 2022 and 2021, the following compensation was incurred:

	2022	2021
	$'000	$'000
Directors and officer's compensation (current and former)	1,605	1,869
Share-based compensation (current and former)	719	406
Total compensation	**2,324**	**2,275**

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, 2022, 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, consolidated 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 92,456,701 common shares issued and outstanding. The weighted average number of shares outstanding during Q4 2022 used for the calculation of per share results were 92,131,513.

In Q4 2022, 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 Toronto Stock Exchange'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, 2022 are as follows:

Exercise Price C$	As of December 31, 2022	As of February 23, 2023	Expiry Date
2.65	295,175	295,175	30 June, 2029
2.14	294,747	294,747	30 June, 2028
0.61	728,000	728,000	30 June, 2027
1.10	280,000	280,000	30 June, 2026
2.00	199,500	199,500	30 June, 2025
6.00	140,000	140,000	30 June, 2024
Total	**1,937,422**	**1,937,422**	

During Q4 2022, 76,093 options were exercised, compared to 134,666 options in corresponding period of 2021. There were 1,937,422 options outstanding as of December 31, 2022.

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 or a cash payment equal to the market value of such shares at the time of vesting, which is based on vesting over three years. Each RSU is equivalent in value 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, 2022 are as follows:

	Number of RSU Awards
Balance, December 31, 2020	**673,192**
Granted	168,025
Redeemed	(285,047)
Forfeited	(80,212)
Balance, December 31, 2021	**475,958**
Granted	118,337
Redeemed	(240,664)
Forfeited	-
Balance, December 31, 2022	**353,631**
Redeemed	-
Outstanding as at February 23, 2023	**353,631**

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 or a cash payment equal to the market value of such shares upon the achievement of certain performance goals at the time of vesting, which is based on vesting over three years subject to the Company's three-year Total Shareholder Return performance against VanEck Vectors Junior Gold Miners ETF, on a sliding scale payout. Each PSU is equivalent in value to one common share. The PSUs issued and outstanding as at December 31, 2022 are as follows:

	Number of PSU Awards
Balance, December 31, 2020	**-**
Granted	336,049
Redeemed	(40,000)
Balance, December 31, 2021	**296,049**
Granted	236,673
Redeemed	(98,683)
Balance, December 31, 2022	**434,039**
Redeemed	
Balance, February 23, 2023	**434,039**

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. The DSUs vest immediately on grant date. Those directors granted DSUs will receive the Company's common shares at no cost or a cash payment equal to the market value of such shares following their departure from the board. Each DSU entitles the holder to one common share. The DSUs issued and outstanding as at December 31, 2022 are as follows:

	Number of DSU Awards
Balance, December 31, 2020	-
Granted	150,148
Balance, December 31, 2021	**150,148**
Granted	136,044
Redeemed	(23,364)
Balance, December 31, 2022	**262,828**
Redeemed	
Balance, February 23, 2023	**262,828**

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

On January 16, 2023, the Company announced that the TSX approved its notice of intention to make a normal course issuer bid ("NCIB") for a portion of its common shares. The NCIB will be made in accordance with the requirements of the TSX.

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 Company'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.

12. *Net Debt/Cash* – The Company defines net debt/cash as total cash less total debt as per the balance sheet as at reporting date. Total debt excludes any derivative liabilities held by the Company.