MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

AS OF NOVEMBER 8, 2023

CONTENTS

Management's Discussion and Analysis for the Three and Nine Months Ended September 30, 2023

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed consolidated interim financial statements and notes to the condensed consolidated interim financial statements of Mandalay Resources Corporation ("Mandalay" or the "Company") for the three months and nine months ended September 30, 2023, the Company's Annual Information Form dated March 31, 2023 (the "AIF"), the Company's 2022 audited consolidated financial statements and accompanying 2022 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: 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 regional exploration programs, at both its Costerfield and Björkdal mines. Currently, the Company's main objectives are to continue mining the high-grade Youle and Shepherd veins at Costerfield, and to extend 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

Third Quarter 2023 Highlights:

- **Cash on hand was $21.7 million at quarter end** and debt of $24.1 million resulting in a net debt[1] position of $2.4 million. This compares to $42.6 million of cash and $36.7 million in debt resulting in $5.9 million in net cash as at September 30, 2022. The net debt position at the end of current quarter was mainly due to a delayed scheduled shipment receipt of $5.5 million at Björkdal which was received at the start of October, and also due to a one-off reclamation bonding requirement at Costerfield of $3.5 million during the quarter.

- **Consolidated gold equivalent production of 22,032 ounces** compared to 27,287 ounces in Q3 2022. The decrease in ounces produced in the current quarter compared to Q3 2022 was due to lower production at Costerfield. This reduction at Costerfield was primarily caused by lower milled tonnes and underground grades.

- **Revenue of $40.9 million on 20,568 gold equivalent ounces sold** compared to $46.0 million on 26,551 ounces in Q3 2022. This decrease in revenue in the current quarter as compared to Q3 2022 was due to lower gold equivalent ounces produced and therefore sold at Costerfield.

- **Cost of sales excluding depreciation and depletion in Q3 2023 was $24.2 million** compared to $24.7 million for Q3 2022. The decrease in costs during Q3 2023 as compared to Q3 2022 was due to a decrease in cost of sales at Costerfield which resulted from a lower drawdown of inventory.

- **Consolidated net income in Q3 2023 was $4.1 million ($0.04 or C$0.06 per share)**, compared to a consolidated net income of $9.3 million ($0.10 or C$0.13 per share) in Q3 2022.

- **Adjusted EBITDA[1] of $15.4 million** compared to $19.4 million in Q3 2022. Adjusted EBITDA was lower as compared to Q3 2022 due to lower revenue in the current quarter.

- **Adjusted net income[1] of $3.7 million ($0.04 or C$0.05 per share)** compared to an adjusted net income of $2.5 million ($0.03 or C$0.04 per share) in Q3 2022.

- **Consolidated cash cost[1] of $1,084 per ounce and all-in sustaining cost[1 2] of $1,436 per ounce of saleable gold equivalent production** compared to $846 and $1,124 per ounce, respectively, in Q3 2022. The higher unit costs were mainly due to lower production in Q3 2023 as compared to Q3 2022.

- **Cash flow from operating activities of $4.4 million** which was lower compared to $7.5 million in Q3 2022 mainly due to lower EBITDA.

- **Free cash flow[1] of ($6.2) million** compared to ($0.9) million in Q3 2022. The decrease in Q3 2023 as compared to Q3 2022 was mainly due to lower cash generation from operations and a final 2022 tax payment of $3.0 million at Costerfield.

- **Consolidated capital expenditures of $10.0 million** compared to $9.1 million in Q3 2022. Out of this, $2.9 million was spent on exploration at both sites compared to $2.5 million in Q3 2022.

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1 Adjusted EBITDA, adjusted net income (loss), 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.

2 All-in sustaining costs now includes tailings dam amortization, accordingly the 2022 comparative figures have been updated.

Summary of Mandalay Operational and Financial Results

Operating Summary

The following table sets forth a summary of the Company's operational results for the three and nine months ended September 30, 2023 and 2022:

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
Björkdal				
Gold produced (oz)	11,224	10,291	30,590	30,991
Gold sold (oz)	10,751	10,001	30,211	31,111
Cash cost[1] per oz gold produced ($)	1,189	1,139	1,375	1,308
All-in sustaining cost[1] [2] per oz gold produced ($)	1,474	1,397	1,781	1,652
Costerfield				
Gold produced (oz)	8,377	12,526	23,041	35,802
Antimony produced (t)	395	582	1,456	1,788
Gold equivalent produced (oz)[3]	10,808	16,996	32,278	49,232
Gold sold (oz)	7,355	12,272	23,115	36,734
Antimony sold (t)	400	557	1,455	1,832
Gold equivalent sold (oz)[3]	9,817	16,550	32,355	50,501
Cash cost[1] per oz gold eq. produced ($)	975	669	942	629
All-in sustaining cost[1] per oz gold eq. produced ($)	1,265	838	1,215	840
Consolidated				
Gold equivalent produced (oz)[3]	22,032	27,287	62,868	80,223
Gold equivalent sold (oz)[3]	20,568	26,551	62,566	81,612
Cash cost[1] per oz gold eq. produced ($)	1,084	846	1,153	891
All-in sustaining cost[1] [2] per oz gold eq. produced ($)	1,436	1,124	1,583	1,208
Average gold price ($/oz)	1,928	1,730	1,931	1,825
Average antimony price ($/t)	11,865	13,286	12,195	13,718

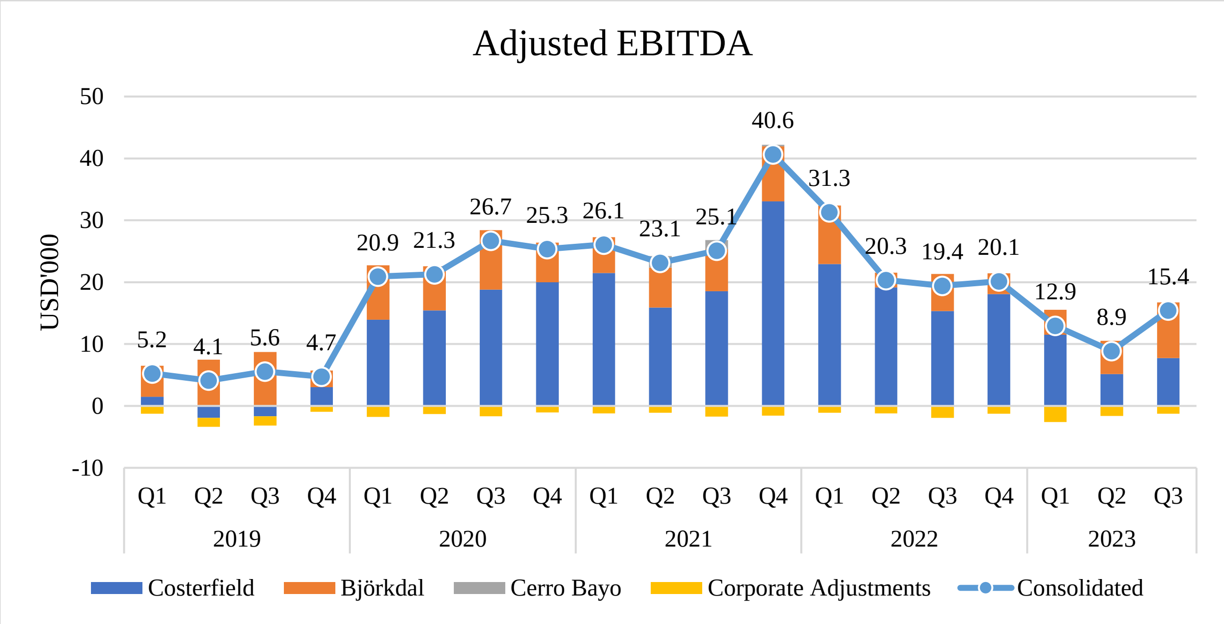
1. Cash cost and all-in sustaining cost are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. Refer to Section 1.14, "Non-IFRS Measures", for further information.
2. All-in sustaining costs now includes tailings dam amortization, accordingly the 2022 comparative figures have been updated.
3. 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

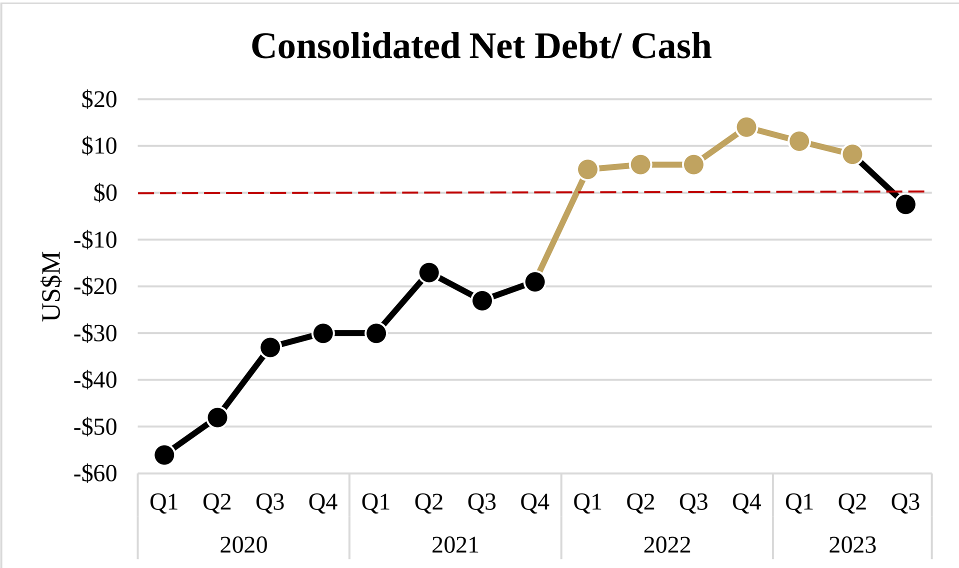
The following table sets forth a summary of the Company's consolidated financial results for the three and nine months ended September 30, 2023 and 2022:

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Revenue	40,907	46,048	122,756	150,318
Cost of sales	24,245	24,690	80,087	74,932
Income from operations (excl. depr. & depletion)[1]	16,662	21,358	42,669	75,386
General and administrative costs	1,240	1,950	5,412	4,344
Adjusted EBITDA[1]	15,422	19,408	37,257	71,042
Depreciation and depletion	8,425	8,775	24,224	25,667
Adjusted EBIT[1]	6,997	10,633	13,033	45,375
Finance costs	1,418	2,305	10,400	8,962
Unrealized gain on financial instruments	(438)	(4,935)	(4,721)	(5,958)
Gain on sale of subsidiary	-	(1,828)	-	(1,828)
Tax, forex and others[2]	1,949	5,816	2,208	21,736
Adjusted net income[1]	3,654	2,512	943	21,769
Consolidated net income	4,068	9,275	5,146	22,463
Adjusted net income per share[1]	0.04	0.03	0.01	0.24
Consolidated net income per share	0.04	0.10	0.06	0.24
Total assets	273,548	278,359	273,548	278,359
Total liabilities	91,669	105,038	91,669	105,038
Total equity	181,879	173,321	181,879	173,321
Consolidated capital expenditures[3]				
Capital development	2,902	2,562	9,320	9,021
Property, plant and equipment purchases	4,225	4,082	14,149	12,878
Capitalized exploration	2,891	2,450	9,420	7,759
Total	10,018	9,094	32,889	29,658

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



The decrease in EBITDA in Q3 2023 was related predominantly due to non-systemic incidents at Costerfield affecting production, and in turn revenue. These factors are described in more detail for both sites in *Section 1.1 Results of Operations*.

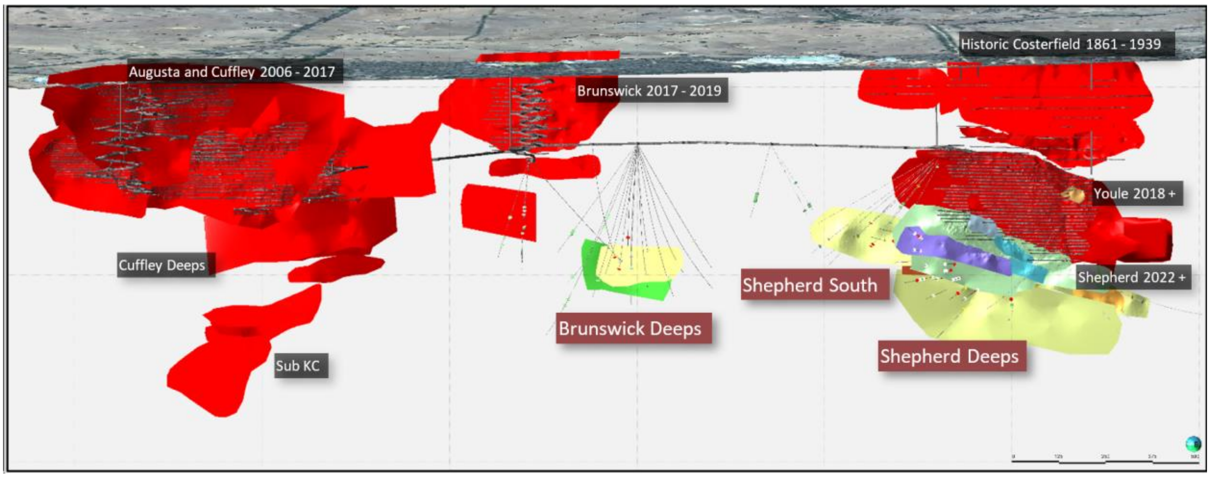


Quarterly Exploration Highlights

At Costerfield, drilling continued on the Infill and Extension drilling of Shepherd and the Brunswick Deeps Drilling program targeting Youle or Shepherd style mineralization below the recently-producing Brunswick mine.
In November Mandalay gave an update on these two programs highlighting a new southern high grade domain along Shepherd and the encouraging discovery of significant mineralization underneath the Brunswick mine. Highlights from this release include:

- Shepherd Southern extension drilling defines new high grade domain including intercept highlights of:
  - 26.0 g/t gold and 39.9% antimony over 1.39 m (Estimated True Width "ETW" 0.63m) in SQ020;
  - 4.9 g/t gold and 10.4% antimony over 2.77 m (ETW 1.74 m) in SQ026;
- Additional veins within Shepherd are identified though optimisation drilling including:

  - 797.0 g/t gold over 0.52 m (ETW 0.29 m) in PD036 and;
  - 122.0 g/t gold over 0.55 m (ETW 0.52 m) in KD957
- Preliminary drilling underneath the Brunswick Deposit intercepts 2 parallel veins highlighted grade of:
  - 17.8 g/t gold over 1.87 m (ETW 1.62 m) in BD357 and;
  - 16.4 g/t gold and 1.5% antimony over 1.39 m (ETW 1.12 m) in BD354



Perspective representation looking west of the Costerfield mine workings and major veining with areas of investigation labelled. Veining unchanged during 2023 in red and discovered or updated veining in varied colours.

Regional Exploration at Costerfield progressed in two areas during Q3. The True Blue testing program continued to build on the exciting results released in February 2023. West Costerfield Gap program was commenced targeting the expected northern continuation of the Brunswick line highlighted though a geophysical survey caried out in 2022.

In Q4, drilling is expected to continue on Shepherd and testing will commence on two other near mine targets, one testing the Youle host structure proximal to Brunswick and the other testing the continuation high grade mineralisation below Cuffley. On surface, both drill rigs currently active will be focused on the southern extension of the True Blue mineralisation.

At Bjorkdal, near mine drilling continued to focus on the eastern extension of Main and Central Zones (Eastern Extension) while also drilling the eastern depth extension of the Aurora orebody. A third program concentrated on defining the Boreal Zone that was discovered and reported on in Q2 2023.

On surface, the 2023 drilling program was completed with depth testing of the Storheden mineralisation approximately 1km to the northeast of Bjorkdal and extension testing of the Norrberget mineral resource which is 5km to the east. Logging and assaying of the core from the 2023 drilling programs is currently underway.

During Q4, the current near mine programs investigating the eastern and depth extension of Aurora and Main zone will continue and conclude while a new program investigating mineralisation at depth and to the north of Aurora will commence.

Ukraine and Middle East Conflict

The ongoing conflicts in Ukraine and the Middle East have disrupted supply chains and caused instability in the global economy. The conflicts have resulted in the 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 conflicts are difficult to predict at this time.

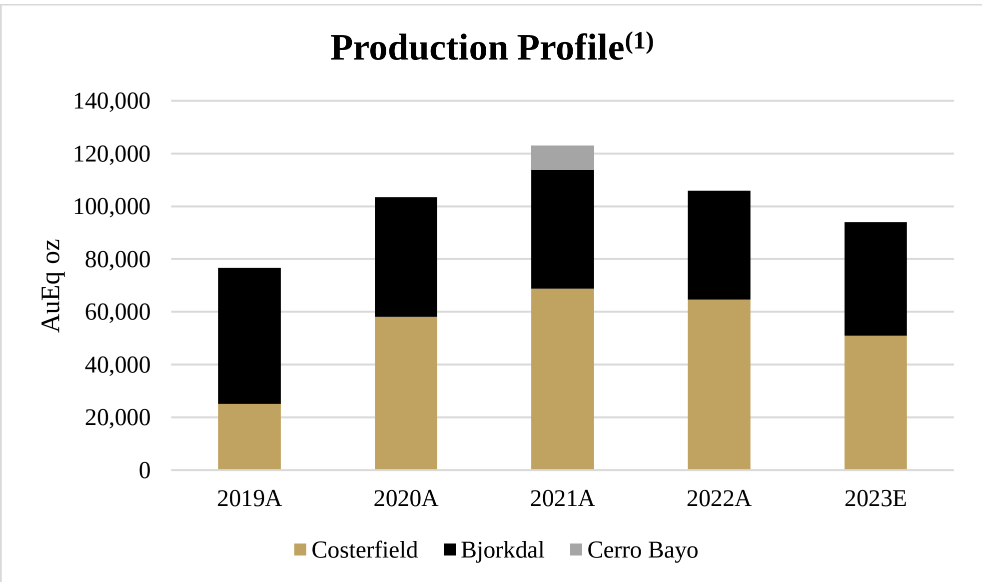
Outlook

Mandalay anticipates incremental improvements to its production profile over the rest of 2023 at both operating sites. At Costerfield, stoping will continue within the Youle deposit and production from the Shepherd deposit will ramp up. At Björkdal, work will continue around improving dilution controls and implementing improved mining efficiency protocols. Additionally, development in several higher-grade areas of the Eastern Extension central zone will continue with the mining permit extension granted in Q2.

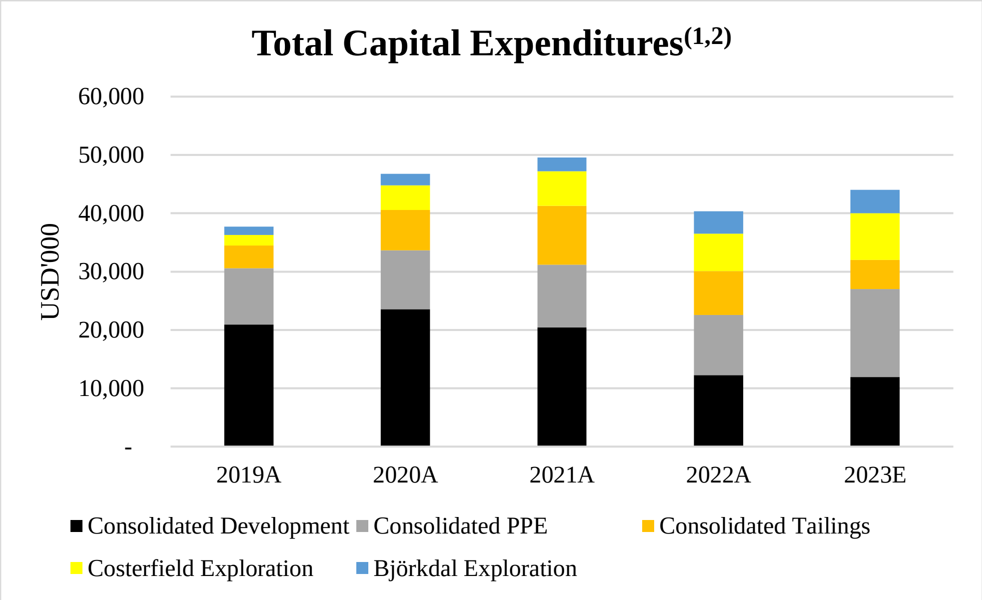
The Company's 2023 production and cost guidance was revised as presented in the table below (disclosed in the Company's July 13, 2023 press release). The original 2023 full-year guidance was disclosed in the Company´s January 13, 2023 press release.

	Björkdal	Costerfield	Consolidated
		2023E	
Gold production (oz)	41,000 – 45,000	35,000 – 40,000	76,000 – 85,000
Antimony production (t)	-	1,850 – 2,400	1,850 – 2,400
Gold eq. production (oz)(1)	41,000 – 45,000	47,000 – 55,000	88,000 – 100,000
Cash cost, $/oz gold eq.(2)	1,270 – 1,410	810 – 960	1,010 – 1,170
All-in sustaining $/oz gold eq.(2,3,4)	1,666 – 1,846	1,040 – 1,240	1,388 – 1,598
Capex, $ million	25 – 29	16 – 20	41 – 49

1. Assumes average metal prices of: Au $1,927/oz, Sb $12,107/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.
4. All-in sustaining cost per ounce now includes tailings dam amortization cost, accordingly 2023 revised guidance numbers are updated.
5. Revised 2023 guidance assumes foreign exchange rates of: AUD/USD 0.68 and USD/SEK 10.55



1. 2023E average revised 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

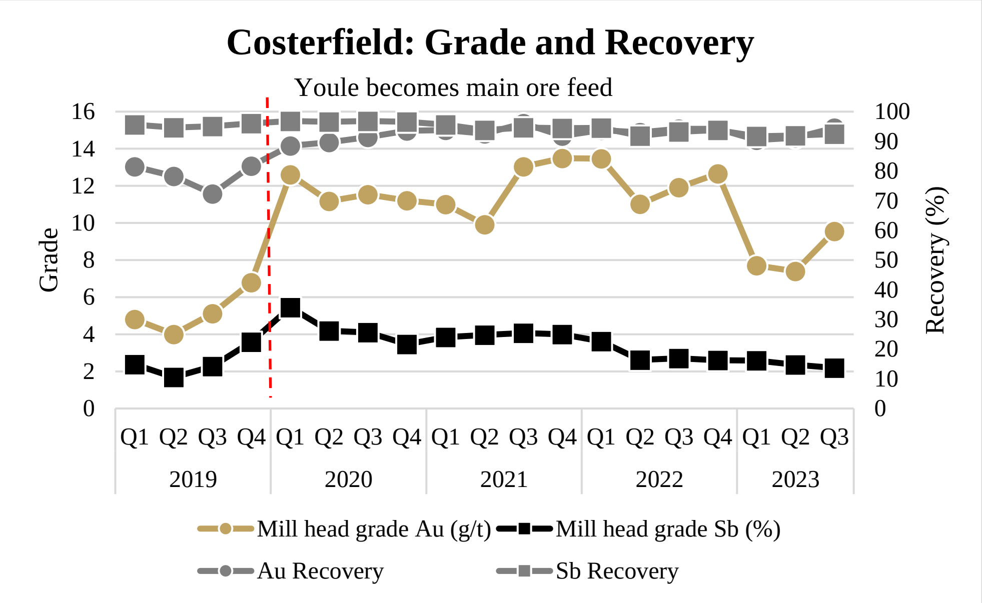
	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Revenue	19,074	28,188	62,894	91,036
Cost of sales	11,399	12,846	38,633	33,476
Income from operations (excl. depr. & depletion)(3)	7,675	15,342	24,261	57,560
General and administrative costs(1)	163	259	1,463	742
Adjusted EBITDA(2,3)	7,717	15,336	24,367	57,452
Depreciation & depletion	2,937	4,107	9,211	11,371
Adjusted EBIT(3)	4,575	10,976	13,587	45,447
Unrealized gain on hedge	(689)	(1,704)	(2,923)	(847)
Finance costs, forex and others(3,4)	418	(4,211)	4,374	(5,571)
Income before tax	4,846	16,891	12,136	51,865
Current tax (recovery) expense	(808)	3,308	1,504	12,738
Deferred tax expense	2,190	1,851	2,281	3,083
Adjusted net (loss) income(3)	2,799	10,028	5,946	35,196
Consolidated net income after tax	3,464	11,732	8,351	36,044
Capital development	943	1,205	2,791	2,843
Property, plant and equipment purchases	1,030	1,085	2,627	5,113
Capitalized exploration	1,962	1,500	6,081	4,673
Total capital expenditures	3,935	3,790	11,499	12,629

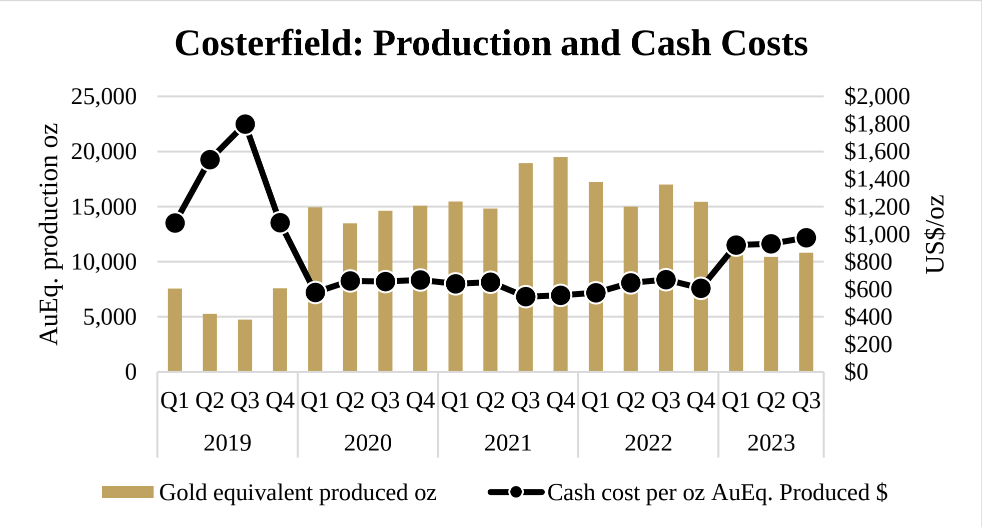
1. Includes intercompany transfer pricing costs of $205,000 and $1,569,000 in three months and nine months ended September 30, 2023 and $253,000 and $634,000 in the corresponding period of 2022.
2. Does not include intercompany transfer pricing recharge costs.
3. Income from operations (excl. depreciation & 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 settlement of gold hedge of $689,000 and $4,312,000 in three months and nine months ended September 30, 2023 and $731,000 and $2,483,000 in the corresponding period of 2022.
4. Others includes such items as write-down of assets, rehabilitation provision, gain/loss on disposals of properties and intercompany transfer pricing recharge for marketing fees and stock-based compensation. The intercompany transfer pricing recharge for marketing fees and stock-based compensation was $360,000 and $1,249,000 for the three and nine months ended September 30, 2023, compared to $564,000 and $1,821,000 for the corresponding periods in 2022.

Costerfield Operating Results

		Three months ended September 30		Nine months ended September 30	
		2023	**2022**	**2023**	**2022**
Operating development	m	925	818	2,575	2,793
Mined ore	t	35,783	33,119	95,103	107,032
Mined ore Au grade	g/t	10.30	16.47	8.64	12.98
Mined ore Sb grade	%	1.90	2.79	2.05	2.70
Mined contained Au	oz	11,849	17,541	26,405	44,678
Mined contained Sb	t	681	923	1,954	2,887
Mining cost per tonne ore	$/t	172	204	188	165
Processed ore	t	30,848	36,765	102,220	105,489
Processed ore mill head grade Au	g/t	9.56	11.91	8.16	12.08
Processed ore mill head grade Sb	%	2.18	2.71	2.38	2.95
Recovery Au	%	94.48	94.25	92.12	93.70
Recovery Sb	%	92.52	93.19	91.99	93.26
Saleable Au produced	oz	8,377	12,526	23,041	35,802
Saleable Sb produced	t	395	582	1,456	1,788
Saleable Au equivalent produced	oz	10,808	16,996	32,278	49,232
Processing cost per tonne ore	$/t	75.01	61.44	60.80	58.26
Au sold in gravity concentrate	oz	5,443	8,519	15,729	24,618
Au sold in floatation concentrate	oz	1,912	3,753	7,386	12,116
Au sold (total)	oz	7,355	12,272	23,115	36,734
Sb sold	t	400	557	1,455	1,832
Capital development metres	m	187	144	495	442
Capital development cost per metre	$/m	5,032	8,397	5,636	6,432
Cash cost per tonne ore processed (1,2)	$/t	342	309	297	294
Adjusted EBITDA per tonne ore processed (1,2)	$/t	250	417	238	545
Cash cost per oz Au eq. produced (1,2)	$/oz	975	669	942	629
Site all-in sustaining cost per oz Au eq. produced(1,2)	$/oz	1,265	838	1,215	840

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 September 30, 2023 and 2022

- ***Production*** – Saleable gold production for Q3 2023 was 8,377 ounces, a 33% decrease from the 12,526 ounces produced in Q3 2022. Saleable antimony production during Q3 2023 was 395 tonnes, a 32% decrease from the 582 tonnes produced in Q3 2022. Gold equivalent production for Q3 2023 was 10,808 ounces, a 36% decrease from the 16,996 gold equivalent ounces produced in Q3 2022. The decrease in ounces produced in the current quarter compared to Q3 2022 was primarily caused by lower milled tonnes and most notably lower underground grades. The shortfall in milled tonnes was due to temporary challenges encountered with the hardness of the ore during transition from the Youle to the Shepherd zone. The drop in grades was attributed primarily to a delay in planned scheduled production of high grade stopes in Youle. Processed gold grades were lower during Q3 2023 at 9.56 g/t gold as compared to 11.91 g/t gold in Q3 2022. Processed antimony grades were lower at 2.18% during Q3 2023 as compared to 2.71% in Q3 2022.

- ***Revenue*** – Costerfield's revenue for Q3 2023 was $19.1 million, a 32% decrease from $28.2 million in Q3 2022. This was mainly due to lower gold equivalent ounces sold during the current quarter as compared to Q3 2022. Gold equivalent ounces sold decreased by 41% to 9,817 ounces in Q3 2023 as compared to 16,550 ounces in Q3 2022.

- ***Operating Costs*** – Cost of sales, excluding depletion and depreciation at Costerfield, was $11.4 million for Q3 2023, compared to $12.8 million during Q3 2022. The decrease in the current quarter is mainly due to lower mining cost and lower drawdown of inventory as compared to Q3 2022.

- ***Income from Operations*** – Income from mine operations before depreciation and depletion at Costerfield during Q3 2023 was $7.7 million, adjusted EBITDA was $7.7 million, adjusted net income was $2.8 million and net income after tax was $3.5 million. Comparable results for Q3 2022 were income from mine operations before depreciation and depletion of $15.3 million, adjusted EBITDA was $15.3 million, adjusted net income was $10.0 million and net income after tax was $11.7 million. The decrease in income from operations was mainly due to a decrease in revenue during Q3 2023.

- ***Depletion and Depreciation*** – Depletion and depreciation expense at Costerfield decreased to $2.9 million in Q3 2023, compared to $4.1 million for Q3 2022 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 Q3 2023 was $975 compared to $669 in Q3 2022. All-in sustaining cost per ounce of saleable gold equivalent produced in Q3 2023 was $1,265 compared to $838 in Q3 2022. These per ounce costs were higher mainly due to lower gold equivalent production as compared to Q3 2022.

- ***Capital Expenditures*** – Capital expenditures in Q3 2023 totaled $3.9 million ($0.9 million in capital development costs, $2.0 million for exploration, and $1.0 million in property, plant and equipment) as compared to the $3.8 million ($1.2 million in capital development costs, $1.5 million for exploration, and $1.1 million for property, plant and equipment) during Q3 2022.

Costerfield – Nine months Ended September 30, 2023 and 2022

- ***Production*** — Saleable gold production for the first nine months of 2023 was 23,041 ounces, a 36% decrease from the 35,802 ounces produced during the same period last year. Saleable antimony production for the nine months ended September 30, 2023 was 1,456 tonnes, a 19% decrease from the 1,788 tonnes produced in the first nine months of 2022. Gold equivalent production for the nine months ended September 30, 2023, was 32,278 ounces, a 34% decrease from the 49,232 gold equivalent ounces produced in the same period in 2022. This was mainly due to both reduced mobile equipment availability due to the Q1 loader fire damage and a one-off production interruption due to water inundation in part of the underground which resulted in an extended power outage. Both issues have since been rectified. Processed gold grades were lower during first nine months of 2023 at 8.16 g/t gold as compared to 12.08 g/t gold during the same period in 2022 due to timing of stope and ore development and geology model reconciliation work. Processed antimony grades were 2.38% during the first nine months of 2023 as compared to 2.95% in the same period in 2022.

- ***Revenue*** – Costerfield's revenue for the nine months ended September 30, 2023 was $62.9 million, 31% decrease from $91.0 million in the nine months ended September 30, 2022. This was due to decrease in gold equivalent ounces sold during the first nine months of year in 2023 as compared to same period last year. Gold equivalent ounces sold decreased by 36% to 32,355 ounces in the nine months ended September 30, 2023, as compared to 50,501 ounces in the nine months ended September 30, 2022.

- ***Operating Costs*** – Cost of sales excluding depletion and depreciation at Costerfield was $38.6 million for the nine months ended September 30, 2023, compared to $33.5 million for the same period of 2022. This increase was mainly due to decrease in inventory during the first nine months of 2023 as compared to the same period in 2022.

- ***Income from Operations*** – Income from mine operations before depreciation and depletion at Costerfield during the nine months ended September 30, 2023, was $24.3 million, adjusted EBITDA was $24.4 million, adjusted net income was $5.9 million and net income after tax was $8.4 million. Comparable results for the nine months ended September 30, 2022, were income from mine operations before depreciation and depletion of $57.6 million, adjusted EBITDA was $57.5 million, adjusted net income was $35.2 million and net income after tax of $36.0 million.

- ***Depletion and Depreciation*** – Depletion and depreciation expense at Costerfield decreased to $9.2 million in the nine months ended September 30, 2023, compared to $11.4 million for the same period in 2022 mainly due to lower production during first nine months of the current year.

- ***Cost per Ounce*** – Cash cost per ounce of saleable gold equivalent produced at Costerfield in the nine months ended September 30, 2023 was $942 compared to $629 in the nine months ended September 30, 2022. All-in sustaining cost per ounce of saleable gold equivalent produced in the nine months ended September 30, 2023 was $1,215 compared to $840 in the nine months ended September 30, 2022. These per ounce costs were higher due to lower gold equivalent production during first nine months of the current year.

- ***Capital Expenditures*** – Capital expenditures in the first nine months ended September 30, 2023 totalled $11.5 million ($2.8 million in capital development costs, $6.1 million for exploration, and $2.6 million in property, plant and equipment) as compared to the $12.6 million ($2.8 million in capital development costs, $4.7 million for exploration, and $5.1 million for property, plant and equipment) during the first nine months of 2022. The decrease in capital expenditures were due to lower amounts spent on mining equipment during first nine months of the current year.

Björkdal Gold Mine, Sweden

Björkdal Financial Results

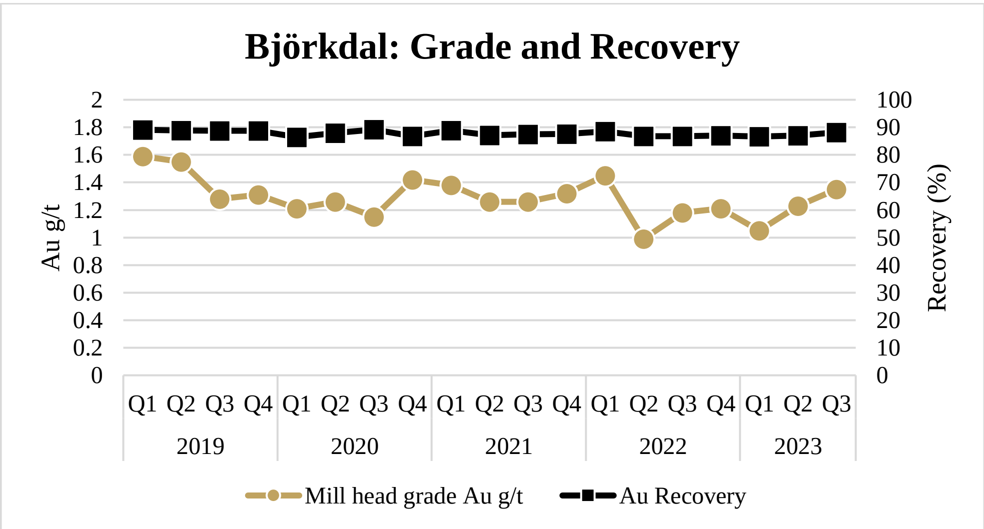
	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Revenue	21,833	17,860	59,862	59,282
Cost of sales	12,846	11,844	41,454	41,457
Income from operations (excl. depreciation & depletion) (4)	8,987	6,016	18,408	17,825
General and administrative costs (1)	201	173	1,265	498
Adjusted EBITDA (2,4)	8,987	6,016	18,408	17,825
Depreciation & depletion	5,488	4,667	15,013	14,295
Adjusted EBIT (4)	3,298	1,176	2,130	3,032
Unrealized gain on hedge	-	(3,765)	(2,803)	(6,737)
Finance costs, forex and others (3)	740	5,365	9,364	15,192
Income (loss) before tax	2,558	(424)	(4,431)	(5,423)
Current tax expense	-	-	-	11
Deferred tax expense (recovery)	420	182	(940)	(916)
Adjusted net income (loss) (4)	2,138	(4,371)	(6,294)	(11,255)
Consolidated net income (loss) after tax	2,138	(606)	(3,491)	(4,518)
Capital development cost	1,959	1,357	6,529	6,178
Capital purchases	3,195	2,997	11,522	7,765
Capitalized exploration	929	950	3,273	2,771
Total capital expenditure (5)	6,083	5,304	21,324	16,714

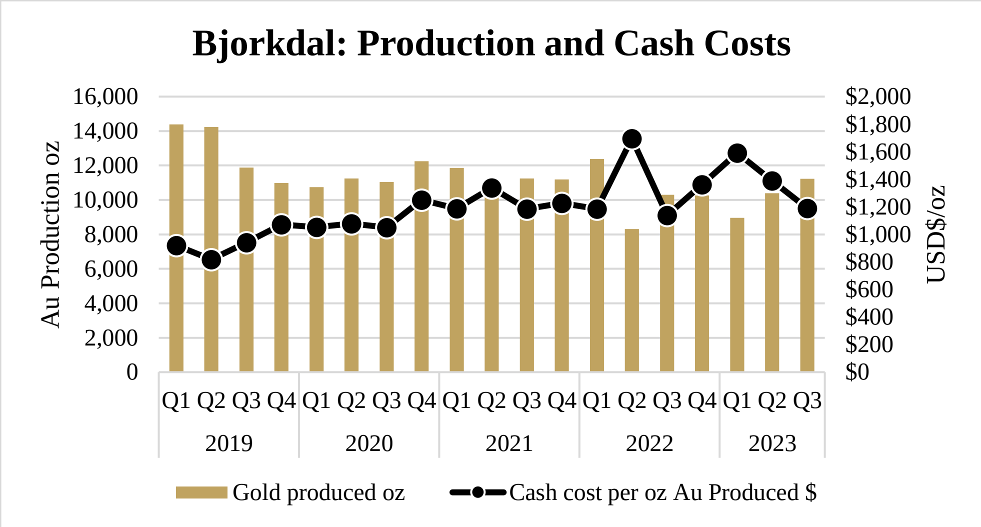
1. Includes intercompany transfer pricing recharge costs of $201,000 and $1,265,000 for the three and nine months ended September 30, 2023 and $173,000 and $498,000 for the same periods in 2022.
2. Does not include intercompany transfer pricing recharge costs.
3. Finance costs includes the settlement of gold hedges of nil and $3,979,000 for the three and nine months ended September 30, 2023 compared to $703,000 and $3,975,000 for the same periods in 2022. Others includes such items as gain/loss on disposals of properties and intercompany transfer pricing recharge for marketing fees and stock-based compensation. The intercompany transfer pricing recharge for marketing fees and stock-based compensation was $452,000 and $1,250,000 for the three and nine months ended September 30, 2023, compared to $370,000 and $1,227,000 for the corresponding periods of 2022.
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 September 30		Nine months ended September 30	
		2023	2022	2023	2022
Operating development	m	1,343	1,370	3,832	4,158
Mined ore	t	264,095	261,836	804,892	854,199
Mined ore Au grade	g/t	1.46	1.32	1.31	1.26
Mined contained Au	oz	12,395	11,090	33,781	34,715
Mining cost per tonne ore	$/t	30.19	25.18	30.36	25.84
Processed ore	t	318,917	321,463	932,673	937,774
Processed ore mill head grade Au	g/t	1.35	1.18	1.21	1.22
Recovery Au	%	88.13	86.80	87.36	86.44
Saleable Au produced	oz	11,224	10,291	30,590	30,991
Processing cost per tonne ore	$/t	8.25	8.28	8.54	9.58
Au sold	oz	10,751	10,001	30,211	31,111
Capital development (underground)	m	718	597	2,155	2,353
Capital development cost per metre	$/m	2,728	2,422	3,029	2,604
Cash operating cost per tonne ore processed[1]	$/t	41.86	36.47	45.10	43.21
Adjusted EBITDA per tonne ore processed[1,2]	$/t	28.18	18.71	19.74	19.01
Cash cost per oz Au produced[1,2]	$/oz	1,189	1,139	1,375	1,308
Site all-in sustaining cost per oz Au produced[1,2,3]	$/oz	1,474	1,397	1,781	1,652

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.
3. All-in sustaining costs now includes tailings dam amortization, accordingly the 2022 comparative figures have been updated.





Björkdal – Three Months Ended September 30, 2023 and 2022

- ***Production*** – Saleable gold production at Björkdal in Q3 2023 was 11,224 ounces, a 9% increase from the 10,291 ounces produced in Q3 2022 primarily due to higher feed grade of 1.35 g/t compared to 1.18 g/t in Q3 2022 through the processing plant.

- ***Revenue*** – Björkdal's revenue for Q3 2023 was $21.8 million, an increase of 22% from $17.9 million generated in Q3 2022. This was due to an increase in gold equivalent ounces sold with 10,751 ounces in Q3 2023 as compared to 10,001 gold ounces in Q3 2022 and support from higher realized gold prices.

- ***Operating Costs*** – Cost of sales, excluding depreciation and depletion, at Björkdal was $12.8 million in Q3 2023, lower than $11.8 million for Q3 2022. This increase in the current quarter was mainly due to higher mining cost as compared to Q3 2022.

- ***Income from Operations*** – Income from mine operations before depreciation and depletion at Björkdal for Q3 2023 was $9.0 million, adjusted EBITDA was $9.0 million, adjusted net income was $2.1 million and net income after tax was $2.1 million. Comparable results for Q3 2022 were income from mine operations before depreciation and depletion of $6.0 million, adjusted EBITDA of $6.0 million, adjusted net loss of $4.4 million and net loss after tax of $0.6 million.

- ***Depletion and Depreciation*** – Depletion and depreciation expense at Björkdal was $5.5 million in Q3 2023, compared to $4.7 million for the same period in 2022. This increase was mainly due to higher production.

- ***Cost per Ounce*** – Cash cost per ounce of saleable gold produced at Björkdal for Q3 2023 was $1,189, 4% higher as compared to $1,139 during Q3 2022. All-in sustaining cost per ounce of saleable gold produced for Q3 2023 was $1,474, 5% higher than the $1,397 during Q3 2022. These increase in per unit costs were due to higher operating cost and sustaining capital expenditures during the current quarter.

- ***Capital Expenditures*** – Capital expenditures at Björkdal for Q3 2023 totaled $6.1 million ($2.0 million in mine development costs, $0.9 million for exploration, and $3.2 million in property, plant and equipment) compared with $5.3 million ($1.3 million in mine development costs, $1.0 million for exploration, and $3.0 million for property, plant and equipment) during Q3 2022.

Björkdal – Nine months Ended September 30, 2023 and 2022

- ***Production*** – Saleable gold production at Björkdal for the nine months ended September 30, 2023 was 30,590 ounces, a 1% decrease from the 30,991 ounces produced during the same period in 2022 primarily due to lower mined tonnes from the underground caused by a lack of available trucks and shortage in skilled personnel.

- ***Revenue*** – Björkdal's revenue for the nine months ended September 30, 2023, was $59.9 million, higher than the $59.3 million generated in the same period of 2022. This was due to support from higher realized gold prices during the first nine months of 2023 compared to 2022.

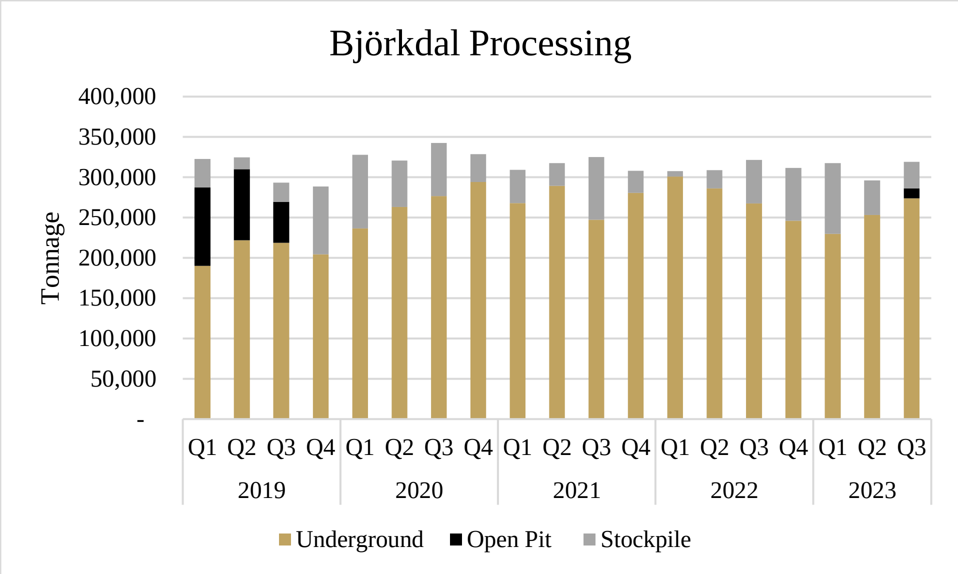
- ***Operating Costs*** – Cost of sales excluding depletion and amortization at Björkdal was $41.5 million for the nine months ended September 30, 2023, similar to the same period of 2022.

- ***Income from Operations*** – Income from mine operations before depreciation and depletion at Björkdal for the nine months ended September 30, 2023 was $18.4 million, adjusted EBITDA was $18.4 million, adjusted net loss was $6.3 million and net loss after tax was $3.5 million. Comparable results for the same period of 2022 were income from mine operations before depreciation and depletion of $17.8 million, adjusted EBITDA of $17.8 million, adjusted net loss of $11.3 million and net loss after tax was $4.5 million.

- ***Depletion and Depreciation*** – Depletion and depreciation expense at Björkdal increased to $15.0 million in the nine months ended September 30, 2023, compared to $14.3 million for the same period in 2022 due to higher per ounce depletion rate used for 2023 as compared to 2022.

- ***Cost per Ounce*** – Cash cost per ounce of gold produced at Björkdal for the nine months ended September 30, 2023 was $1,375, 5% higher than the cash cost per ounce of gold produced in the same period of 2022 of $1,308. All-in sustaining cost per ounce of gold produced for the nine months ended September 30, 2023 was $1,781, 8% higher than the all-in sustaining cost per ounce of gold produced in the same period of 2022 of $1,652. These per ounce costs were higher in 2023 compared to 2022 due to higher operating cost and sustaining capital expenditures coupled with lower production.

- ***Capital Expenditures*** – Capital expenditures at Björkdal for the nine months ended September 30, 2023 totalled $21.3 million ($6.5 million in mine development costs, $3.3 million for exploration, and $11.5 million in property, plant and equipment) compared with $16.7 million ($6.2 million in mine development costs, $2.8 million for exploration, and $7.8 million for property, plant and equipment) during the same period of 2022. The increase in capital expenditures was primarily due to higher amounts spent on mining equipment and tailings spend.



Non-Core Properties

Lupin

The Company spent less than $0.1 million on care and maintenance at Lupin during Q3 2023 and Q3 2022. Reclamation spending at Lupin was $0.1 million and $0.2 million for the three and nine months ended September 30, 2023, respectively, compared to $1.2 million and $6.5 million respectively for the corresponding periods of 2022. Lupin is currently in the process of final closure and reclamation activities mainly funded by progressive security reductions. The majority of this reclamation work is expected to take place in the 2024 calendar year. As at September 30, 2023, $8.5 million in restricted cash stands as a deposit against the present value of reclamation cost obligations of $13.0 million.

La Quebrada

The Company continues to evaluate options for this non-core asset. Care and maintenance spending at La Quebrada was less than $0.1 million during Q3 2023, which was similar to the comparative period in 2022.

1.2 SECOND QUARTER FINANCIAL RESULTS

Summary Financial Performance

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Revenue	40,907	46,048	122,756	150,318
Cost of sales	24,245	24,690	80,087	74,932
Income from operations (excl. depr. and depletion) (1)	16,662	21,358	42,669	75,386
Depreciation and depletion	8,425	8,775	24,224	25,667
Income from mining operations	8,237	12,583	18,445	49,719
General and administrative costs	1,240	1,950	5,412	4,344
Adjusted EBITDA(1)	15,422	19,408	37,257	71,042
Finance costs	1,418	2,305	10,400	8,962
Unrealized gain on financial instruments	(438)	(4,935)	(4,721)	(5,958)
Gain on sale of subsidiary	-	(1,828)	-	(1,828)
Forex and others(2)	147	474	(637)	6,820
Consolidated income before tax	5,870	14,617	7,991	37,379
Current tax (recovery) expense	(808)	3,309	1,504	12,749
Deferred tax expense	2,610	2,033	1,341	2,167
Adjusted net income (1)	3,654	2,512	943	21,769
Consolidated net income	4,068	9,275	5,146	22,463
Adjusted net income per share(1)	0.04	0.03	0.01	0.24
Consolidated net income per share	0.04	0.10	0.06	0.24
Total assets	273,548	278,359	273,548	278,359
Total liabilities	91,669	105,038	91,669	105,038
Total equity	181,879	173,321	181,879	173,321
Capital expenditures – Consolidated(3)				
Underground capital development	2,902	2,562	9,320	9,021
Property, plant and equipment purchases	4,225	4,082	14,149	12,878
Capitalized exploration	2,891	2,450	9,420	7,759
Total capital expenditures	10,018	9,094	32,889	29,658

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 and other income.
3. Includes capitalized spending from non-operating sites.

Summary Balance Sheet

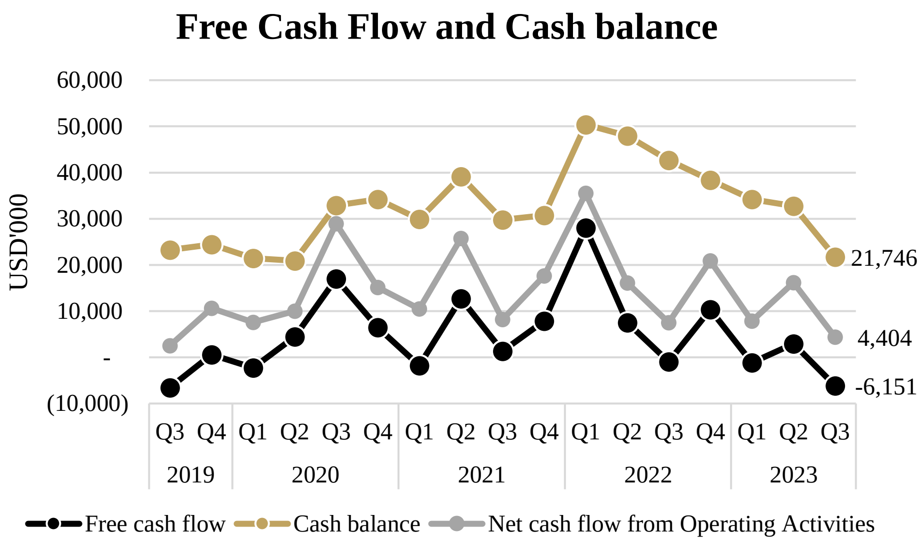
	As at September 30, 2023	As at December 31, 2022
	$'000	$'000
Cash and cash equivalents	21,746	38,377
Inventories, accounts rec. and other current assets	48,617	45,908
Total current assets	**70,363**	**84,285**
Property, plant and equipment	184,022	183,908
Reclamation deposits and other non-current assets	19,163	14,031
Total assets	**273,548**	**282,224**
Other current liabilities	36,959	37,225
Total current liabilities	**36,959**	**37,225**
Revolving Credit Facility – *non-current*	19,565	19,562
Non-current liabilities	35,145	41,283
Equity attributable to common shareholders	181,879	184,154
Total equity and liability	**273,548**	**282,224**

Summary Cash Flow

The table below summarizes the Company's cash flow for the three and nine months ended September 30, 2023 and 2022 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 September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
	$'000	$'000	$'000	$'000
Net cash flows from operating activities	**4,404**	**7,494**	**28,437**	**59,114**
Reclamation expenditures	121	1,207	186	6,472
Capital expenditures	(10,018)	(8,900)	(32,227)	(28,825)
Lease payments	(658)	(735)	(1,608)	(2,175)
Free cash flow[1]	**(6,151)**	**(934)**	**(5,212)**	**34,586**
Net reclamation expenditures	(3,654)	1,169	(3,719)	(4,097)
Proceeds from sale of assets	222	-	222	-
Net repayment on borrowings	221	(3,919)	1,321	(11,108)
Payment of gold derivative contracts	(1,351)	(1,730)	(8,776)	(6,572)
Purchase of common shares for cancellation	-	-	(293)	-
Proceeds from sale of marketable securities	132	-	253	-
Shares issued for cash	-	-	6	181
Effects of exchange rate changes	(439)	112	(433)	(1,082)
Net cash flow	(11,020)	(5,302)	(16,631)	11,908
Cash/cash equivalents, end of period	**21,746**	**42,646**	**21,746**	**42,646**

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 and nine months ended September 30, 2023 and 2022. See Section 1.14, "Non-IFRS Measures", for more information.

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
	$'000	**$'000**	**$'000**	**$'000**
Consolidated net income	4,068	9,275	5,146	22,463
Add/less: Special items				
Write down of assets	24	-	518	-
Gain on sale of subsidiary	-	(1,828)	-	(1,828)
Revision of reclamation liability	-	-	-	7,092
Fair value gain on fin. Instruments	(438)	(4,935)	(4,721)	(5,958)
Adjusted net income	**3,654**	**2,512**	**943**	**21,769**
Add/less: Non-cash and finance costs				
Depletion and depreciation	8,425	8,775	24,224	25,667
(Gain) loss on disposal of PPE	(125)	(16)	(132)	302
Share based compensation expense	414	209	1,061	974
Finance charges	1,418	2,305	10,400	8,962
Current tax (recovery) expense	(808)	3,309	1,504	12,749
Deferred tax expense	2,610	2,033	1,341	2,167
Foreign exchange gain (loss)	201	539	(907)	(1,080)
Interest and other income	(367)	(258)	(1,177)	(468)
Adjusted EBITDA	**15,422**	**19,408**	**37,257**	**71,042**
Depletion and depreciation	8,425	8,775	24,224	25,667
Adjusted EBIT	**6,997**	**10,633**	**13,033**	**45,375**

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

The table below reconciles cash cost, all-in sustaining cost to reported cost of sales for the three and nine months ended September 30, 2023 and 2022. Refer to Section 1.14, "Non-IFRS Measures", for further information.

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
	$'000	**$'000**	**$'000**	**$'000**
Cost of sales, excluding depletion and depreciation	**24,245**	**24,690**	**80,087**	**74,932**
Add:				
General and administrative costs	(42)	7	(106)	108
Less:				
Change in inventory	202	(923)	(5,785)	(1,030)
Royalties	(517)	(689)	(1,731)	(2,520)
Total cash cost	**23,888**	**23,085**	**72,465**	**71,490**
Saleable Au equivalent produced (oz)	22,032	27,287	62,868	80,223
Cash cost per oz gold produced ($)	**1,084**	**846**	**1,153**	**891**

	Three months ended September 30, 2023	Three months ended September 30, 2022[1]	Nine months ended September 30, 2023	Nine months ended September 30, 2022[1]
	$'000	**$'000**	**$'000**	**$'000**
Total Cash cost	**23,888**	**23,085**	**72,465**	**71,490**
Add:				
General and administrative costs	1,273	1,944	5,433	4,212
Capital development	2,901	2,562	9,318	9,021
Capital purchases – sustaining	1,670	1,608	6,858	7,335
Capital exploration – infill drilling	796	309	2,094	1,051
Royalties	517	689	1,731	2,520
Accretion on rehabilitation provisions	188	113	553	179
Tailings dam amortization	398	365	1,086	1,100
All-in sustaining cost	**31,631**	**30,675**	**99,538**	**96,908**
Saleable Au equivalent produced (oz)	22,032	27,287	62,868	80,223
All-in sustaining cost per oz Au prod. ($)	**1,436**	**1,124**	**1,583**	**1,208**

1 All-in sustaining costs now includes tailings dam amortization, accordingly the 2022 comparative figures have been updated.

Consolidated Financial Results - Three Months Ended September 30, 2023 and 2022

- ***Revenue*** – Consolidated revenue for Q3 2023 was $40.9 million, 11% lower than the $46.0 million in Q3 2022. Consolidated gold equivalent ounces sold decreased to 20,568 ounces in Q3 2023 as compared to 26,551 ounces sold in Q3 2022. This decrease in revenue in the current quarter as compared to Q3 2022 was mainly due to lower gold equivalent ounces sold at Costerfield.

- ***Operating Costs*** – Consolidated cost of sales, excluding depreciation and depletion, was $24.2 million for Q3 2023 compared to $24.7 million for Q3 2022. The decrease in costs during Q3 2023 was due to a decrease in cost of sales at Costerfield compared to Q3 2022 which resulted from a lower drawdown of inventory.

- ***Income from Operations*** – Consolidated income from mine operations before depreciation and depletion for Q3 2023 was $16.7 million, adjusted EBITDA was $15.4 million, adjusted net income was $3.7 million and net income after tax was $4.1 million. Comparable results for Q3 2022 were income from mine operations before depreciation and depletion of $21.4 million, adjusted EBITDA of $19.4 million, adjusted net income of $2.5 million and net income after tax of $9.3 million.

- ***Depletion and Depreciation*** – Depletion and depreciation expense in Q3 2023 was $8.4 million compared to $8.8 million in Q3 2022.

- ***Cost per Ounce*** – Consolidated cash cost per ounce of saleable gold equivalent produced for Q3 2023 was $1,084, a 28% increase compared to $846 during Q3 2022. Consolidated all-in sustaining cost per ounce of saleable gold equivalent produced for Q3 2023 was $1,436, a 28% higher than Q3 2022 of $1,124. The higher unit costs in Q3 2023 were due to increased operating cost and sustaining capital expenditures combined with lower production compared to Q3 2022.

- ***Capital Expenditures*** – Consolidated capital expenditures for Q3 2023, totaled $10.0 million ($3.9 million occurred at Costerfield and $6.1 million at Björkdal). By comparison, total capital expenditures, including capitalized depreciation and exploration, in Q3 2022 were $9.1 million ($3.8 million at Costerfield, $5.3 million at Björkdal).

Consolidated Financial Results - Nine months Ended September 30, 2023 and 2022

- ***Revenue*** – Consolidated revenue for the nine months ended September 30, 2023 was $122.8 million, a 18% decrease from $150.3 million during the nine months ended September 30, 2022, mainly due to lower gold equivalent ounces sold at Costerfield. This was largely driven by fewer mined underground tonnes at Costerfield due to fleet availability and production interruption issues as well as lower mined grades at Costerfield due to timing and geology model reconciliation issues. Consolidated gold equivalent ounces sold decreased by 23% to 62,566 ounces in the nine months ended September 30, 2023, compared to 81,612 ounces in the nine months ended September 30, 2022.

- ***Operating Costs*** – Consolidated cost of sales excluding depletion and amortization was $80.1 million for the nine months ended September 30, 2023, compared to $74.9 million for the same period of 2022. The increase in cost was due to higher cost of sales at Costerfield during the first nine months of the year 2023.

- ***Income from Operations*** – Consolidated income from mine operations before depreciation and depletion for the nine months ended September 30, 2023 was $42.7 million, adjusted EBITDA was $37.3 million, adjusted net income was $0.9 million and net income after tax was $5.1 million. Comparable results for the nine months ended September 30, 2022 were income from mine operations before depreciation and depletion of $75.4 million, adjusted EBITDA of $71.0 million, adjusted net profit of $21.8 million and a net income after tax of $22.5 million.

- ***Depletion and Depreciation*** – Depletion and depreciation expense decreased to $24.2 million in the nine months ended September 30, 2023 compared to $25.7 million for the same period in 2022.

- ***Cost per Ounce*** – Consolidated cash cost per ounce of gold equivalent produced for the nine months ended September 30, 2023, was $1,153, 29% higher than the cash cost per ounce of gold equivalent produced in the nine months ended September 30, 2022 of $891. Consolidated all-in sustaining cost per ounce of gold equivalent produced for the nine months ended September 30, 2023, was $1,583, 31% higher than the all-in sustaining cost per ounce of gold equivalent produced in the nine months ended September 30, 2022 of $1,208. These per ounce costs were higher in the first nine months of 2023 compared to the same period in 2022 primarily due to lower production.

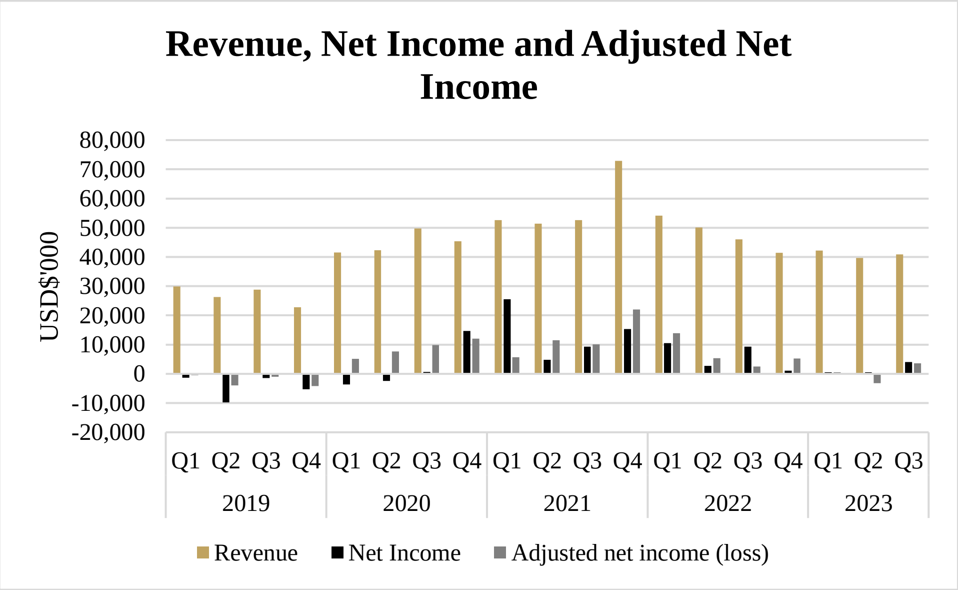
- ***Capital Expenditures*** – Consolidated capital expenditures for the nine months ended September 30, 2023, totalled $32.9 million ($11.5 million occurred at Costerfield and $21.3 million at Björkdal). By comparison, total capital expenditures, including capitalized depreciation and exploration, in the nine months ended September 30, 2022 were $29.7 million ($12.6 million occurred at Costerfield and $16.7 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 3 2023	Quarter 2 2023	Quarter 1 2023	Quarter 4 2022
	$'000	$'000	$'000	$'000
Revenue	40,907	39,670	42,179	41,381
Adjusted net income (loss)	3,654	(3,229)	518	5,202
Net income	4,068	524	554	1,043
Adjusted net income (loss) per share – Basic	0.04	(0.03)	0.01	0.06
Net income per share – Basic and diluted	0.04	0.01	0.01	0.01

	Quarter 3 2022	Quarter 2 2022	Quarter 1 2022	Quarter 4 2021
	$'000	$'000	$'000	$'000
Revenue	46,048	50,116	54,154	72,904
Adjusted net income	2,512	5,370	13,887	21,992
Net income	9,275	2,703	10,485	15,334
Adjusted net income per share – Basic	0.03	0.06	0.15	0.24
Net income per share – Basic and diluted	0.10	0.03	0.11	0.17



Financial results are impacted by the amounts of gold and antimony produced, 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.

Normal Course Issuer Bid ("NCIB")

On January 16, 2023, the TSX approved the Company's notice of intention to make a normal course issuer bid ("NCIB"). Pursuant to the NCIB, the Company may purchase for cancellation up to 4,622,835 common shares at prevailing market prices in the 12-month period commencing January 18, 2023 and ending on January 17, 2024. The purchase price for any shares purchased pursuant to the NCIB is financed from the Company's working capital.

There were no share repurchases under the NCIB during the three months ended September 30, 2023. The Company repurchased 166,600 common shares at an average price of C$2.37 at a cost of C$0.4 million during the nine months ended September 30, 2023.

1.4 MARKETS – CURRENCY EXCHANGE RATES

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

Currency	Average Rate July 1, 2023 – September 30, 2023	Average Rate July 1, 2022 – September 30, 2022	Average Rate January 1, 2023 – September 30, 2023	Average Rate January 1, 2022 – September 30, 2022
1A$ = C$	0.8783	0.8922	0.9004	0.9074
1 A$ = US$	0.6547	0.6837	0.6688	0.7075
1 US$ = C$	1.3416	1.3050	1.3463	1.2825
1 US$ = Chilean Peso	852	929	821	860
1 US$ = SEK	10.8163	10.543	10.6018	9.9071

Markets – Commodity Prices

Realized price of gold was higher and antimony was lower in Q3 2023 as compared to Q3 2022. The average market and realized commodity prices for the reporting period are summarized in the table below:

Commodity	Prices July 1, 2023 – September 30, 2023	Prices July 1, 2022 – September 30, 2022	Prices January 1, 2023 – September 30, 2023	Prices January 1, 2022 – September 30, 2022
Realized gold US$/oz[1]	1,993	1,735	1,962	1,851
Average gold US$/oz – London PM close (Transamine)	1,928	1,730	1,931	1,825
Realized antimony US$/tonne[1]	12,069	13,286	12,474	13,499
Average antimony US$/tonne – Rotterdam Warehouse (Metal Bulletin)	11,865	13,286	12,195	13,718

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 September 30, 2023, the Company's working capital was $33.4 million compared to $47.1 million at December 31, 2022. The Company had cash and cash equivalents of $21.7 million as at September 30, 2023, as compared to $38.4 million at December 31, 2022.

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 "Prior 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 purposes.

During Q1 2020, Mandalay entered into two separate hedging programs with HSBC and Macquarie for a total of 150,000 ounces of saleable gold over the Prior 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. The US dollar contracts with HSBC were completed as on June 30, 2023. One outstanding Australian dollar contract with Macquarie was completed and settled on July 4, 2023. Hence there were no contracts open as on September 30, 2023. During the three and nine months ended September 30 2023, the Company paid $1.4 million and $8.8 million respectively, as settlement of expired gold derivatives contracts as compared to $1.7 million and $6.6 million in corresponding period of 2022.

1.6 CONTRACTUAL COMMITMENTS AND CONTINGENCIES

Revolving Credit Facility

The initial drawdown under the Revolving Credit Facility was used to repay the Prior 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 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 September 30, 2023, 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, Scotiabank will hold security over the majority of the Company's material assets.

The Revolving Credit Facility has an effective annual interest rate of 9.40%. Nominal interest rate of SOFR as at September 30, 2023 was 5.33% plus 2.85% margin.

As at September 30, 2023, the Company has $20.0 million outstanding principal value for the Revolving Credit Facility, with $15.0 million undrawn.

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 three and nine months ended September 30, 2023, the Company sold 646,100 and 1,424,148 of Aftermath shares at average price of C$0.24 per share. These securities are stated at fair value with any resulting gain or loss recognized in the statement of income and comprehensive income (loss). The Company recorded an unrealized fair value loss of $0.2 million and $0.4 million respectively for the three and nine months ended September 30, 2023, using Level 1 assumptions. The value of securities as at September 30, 2023 is $0.6 million.

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 September 30, 2023 is $0.9 million. Equus securities are stated at fair value with any resulting gain or loss recognized in the statement of income and comprehensive income (loss). The Company recorded an unrealized fair value loss of less than $0.1 million and $0.6 million for the three and nine months ended September 30, 2023, using Level 1 assumptions.

Contractual Obligations as at September 30, 2023

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	1,356	1,400	**2,756**
Other equipment loan obligations	867	919	**1,786**
Total contractual obligations	**2,223**	**22,319**	**24,542**

1.7 OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

1.8 TRANSACTIONS WITH RELATED PARTIES

The Company has not entered into any material transactions with related parties during current and comparative periods.

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 September 30, 2023, 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 92,883,925 common shares issued and outstanding. The weighted average number of shares outstanding during Q3 2023 used for the calculation of per share results were 92,883,925.

In Q3 2023, 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 September 30, 2023 are as follows:

Exercise Price C$	As of September 30, 2023	As of November 08, 2023	Expiry Date
2.43	88,043	88,043	30 June, 2030
2.63	252,688	252,688	30 June, 2030
2.65	295,175	295,175	30 June, 2029
2.14	294,747	294,747	30 June, 2028
0.61	714,666	714,666	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	**2,264,819**	**2,264,819**	

No options were exercised during Q3 2023 and in the corresponding period of 2022. There were 2,264,819 options outstanding as of September 30, 2023.

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 began receiving part of their compensation in the form of DSUs, rather than RSUs, pursuant to the Omnibus Plan. The RSUs issued and outstanding as at September 30, 2023 are as follows:

	Number of RSU Awards
Balance, December 31, 2021	**475,958**
Granted	118,337
Redeemed	(240,664)
Balance, December 31, 2022	**353,631**
Granted	153,752
Redeemed	(225,343)
Balance, September 30, 2023	**282,040**
Redeemed	-
Balance, November 08, 2023	**282,040**

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 September 30, 2023 are as follows:

	Number of PSU Awards
Balance, December 31, 2021	**296,049**
Granted	236,673
Redeemed	(98,683)
Balance, December 31, 2022	**434,039**
Granted	532,503
Redeemed	(177,574)
Balance, September 30, 2023	**788,968**
Redeemed	-
Balance, November 08, 2023	**788,968**

DSUs

Non-executive directors receive 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 September 30, 2023 are as follows:

	Number of DSU Awards
Balance, December 31, 2021	**150,148**
Granted	136,044
Redeemed	(23,364)
Balance, December 31, 2022	**262,828**
Granted	159,999
Redeemed	-
Balance, September 30, 2023	422,827
Redeemed	-
Balance, November 08, 2023	422,827

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 material events subsequent to the quarter end.

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, accretion of reclamation provision and tailings dam amortization. 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.
13. *SOFR* – The Secured Overnight Financing Rate is a benchmark interest rate for dollar-denominated derivatives and loans that replaced the London Interbank Offered Rate (LIBOR).