MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2023

AS OF FEBRUARY 22, 2024

CONTENTS

Management's Discussion and Analysis for the Three Months and Year Ended December 31, 2023

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, 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.sedarplus.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 Eastern Extension area 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 2023 Highlights:

- **Consolidated gold equivalent production of 26,941 ounces** compared to 25,683 ounces in Q4 2022. The increase in ounces produced in the current quarter compared to Q4 2022 was due to higher production at Björkdal. This increase at Björkdal was primarily due to higher processed grades at 1.36 g/t compared to 1.21 g/t in Q4 2022.

- **Revenue of $50.6 million on 25,861 gold equivalent ounces sold** compared to $41.4 million on 24,482 ounces in Q4 2022. This increase in revenue in the current quarter as compared to Q4 2022 was due to higher gold equivalent ounces produced and therefore sold at Björkdal, together with higher realized gold prices during the quarter at $1,965 per ounce compared to $1,706 per ounce in Q4 2022.

- **Cost of sales excluding depreciation and depletion in Q4 2023 was $25.8 million** compared to $20.0 million for Q4 2022. The increase in costs during Q4 2023 as compared to Q4 2022 was due to an increase in mining costs mainly due to additional contractor miners being used, primarily at Björkdal for production drilling. Part of this increase was also due to the value of inventory movements of $3.0 million in Q4 2023 versus Q4 2022.

- **Consolidated net income in Q4 2023 was $2.7 million ($0.03 or C$0.04 per share)**, compared to a consolidated net income of $1.0 million ($0.01 or C$0.02 per share) in Q4 2022.

- **Cash flow from operating activities of $14.9 million** which was lower compared to $20.9 million in Q4 2022 mainly due to delayed shipment receipts at Costerfield of $3.8 million.

- **Adjusted EBITDA[1] of $23.1 million** compared to $20.1 million in Q4 2022. Adjusted EBITDA was higher as compared to Q4 2022 due to higher revenue during the current quarter which was partially offset by a higher cost of sales.

- **Adjusted net income[1] of $9.7 million ($0.10 or C$0.14 per share)** compared to an adjusted net income of $5.2 million ($0.06 or C$0.08 per share) in Q4 2022.

- **Consolidated cash cost[1] of $979 per ounce and all-in sustaining cost[1 2] of $1,296 per ounce of saleable gold equivalent production** compared to $909 and $1,260 per ounce, respectively, in Q4 2022. The higher unit costs were mainly due to higher mining costs in Q4 2023 as compared to Q4 2022.

- **Cash on hand was $26.9 million at quarter end** and debt of $23.6 million resulting in a net cash[1] position of $3.3 million. This compares to $38.4 million of cash and $24.0 million in debt, which resulted in $14.4 million of net cash as at December 31, 2022.

- **Free cash flow[1] of $5.5 million** compared to $10.4 million in Q4 2022. The decrease in Q4 2023 as compared to Q4 2022 was due to lower cash generation from operating activities.

- **Consolidated capital expenditures of $9.5 million** compared to $11.0 million in Q4 2022. Out of this, $2.5 million was spent on exploration at both sites compared to $2.9 million in Q4 2022.

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 in the current year includes tailings dam amortization, accordingly the 2022 comparative figures have been updated.

Full-Year 2023 Highlights:

- **Consolidated gold equivalent production of 89,809 ounces** compared to 105,906 ounces in 2022. The decrease in ounces produced in 2023 was due to lower production at Costerfield. This decrease at Costerfield was primarily due to lower mined underground tonnes from lower mining fleet availability and production interruption issues, which led delayed access to higher grade stopes impacting mined grades and to more lower-grade stockpile being processed to make up for the underground mined tonnes shortfalls.

- **Revenue of $173.3 million on gold equivalent ounces sold of 88,427 ounces** compared to $191.7 million on 106,094 ounces in 2022. This decrease in revenue in the current year is mainly due to lower gold equivalent ounces produced and therefore sold at Costerfield.

- **Cost of sales excluding depreciation and depletion in 2023 was $105.9 million** compared to $94.9 million for 2022. The increase in costs during 2023 as compared to 2022 was mainly due to the value of inventory movements of $7.8 million in 2023 versus 2022. There was also an increase in mining costs mainly due to additional contractors miners being used, primarily at Björkdal for production drilling, compared to 2022.

- **Consolidated net income in 2023 was $7.9 million ($0.08 or C$0.11 income per share)** compared to consolidated net income of $23.5 million ($0.26 or C$0.33 income per share) in 2022.

- **Cash flow from operating activities of $43.3 million** which was lower compared to $80.0 million in 2022 mainly due to shipping-related issues at Costerfield in 2021, resulting in deferred customer payments at the start of 2022. In addition, there were $3.8 million of delayed shipment receipts at Costerfield in Q4 2023.

- **Adjusted EBITDA of $60.3 million** compared to $91.2 million in 2022. Adjusted EBITDA was lower as compared to year 2022 mainly due to lower revenue at Costerfield and the increased consolidated cost of sales, partially offset by higher revenue at Björkdal during the current year.

- **Adjusted net income of $10.6 million ($0.11 or C$0.15 income per share)** compared to adjusted net income of $27.0 million ($0.29 or C$0.38 income per share) in 2022, a decrease relating to lower revenue generated year-over-year offset by correlated decreased tax expenses.

- **Consolidated cash cost of $1,100 and all-in sustaining cost of $1,497 per ounce of saleable gold equivalent production** compared to $896 and $1,221 per ounce, respectively, in 2022. The cash cost and all-in sustaining cost per ounce in 2023 was higher primarily due to lower production and higher mining costs.

- **Free cash flow of $0.3 million** compared to $45.0 million in 2022. This $44.7 million decrease was mainly due to lower cash generation from operating activities. The current trade debtors balance at the end of 2023 was $20.9 million, which was $10.3 million more than the balance at the end of 2022, which we expect to receive at the start of 2024.

- **Consolidated capital expenditures of $42.4 million** compared to $40.7 million in 2022 mainly due to increased spending on plant and equipment at Björkdal; significant expenditures during the year included the mill conversion, the tails facility lift and also an electrical power system upgrade.

Summary of Mandalay Operational and Financial Results

Operating Summary

The following table sets forth a summary of the Company's operational results for the three months and year ended December 31, 2023 and 2022:

	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
Björkdal				
Gold produced (oz)	11,558	10,256	42,148	41,247
Gold sold (oz)	11,458	9,569	41,669	40,680
Cash cost(1) per oz gold produced ($)	1,299	1,362	1,354	1,321
All-in sustaining cost(1) (2) per oz gold produced ($)	1,664	1,810	1,749	1,692
Costerfield				
Gold produced (oz)	13,016	12,085	36,057	47,887
Antimony produced (t)	404	504	1,860	2,292
Gold equivalent produced (oz)(3)	15,383	15,427	47,661	64,659
Gold sold (oz)	11,743	11,703	34,858	48,437
Antimony sold (t)	454	484	1,909	2,316
Gold equivalent sold (oz)(3)	14,403	14,913	46,758	65,414
Cash cost(1) per oz gold eq. produced ($)	738	608	876	624
All-in sustaining cost(1) per oz gold eq. produced ($)	920	800	1,120	830
Consolidated				
Gold equivalent produced (oz)(3)	26,941	25,683	89,809	105,906
Gold equivalent sold (oz)(3)	25,861	24,482	88,427	106,094
Cash cost(1) per oz gold eq. produced ($)	979	909	1,100	896
All-in sustaining cost(1) (2) per oz gold eq. produced ($)	1,296	1,260	1,497	1,221
Average gold price ($/oz)	1,980	1,722	1,944	1,801
Average antimony price ($/t)	11,603	11,488	12,054	13,170

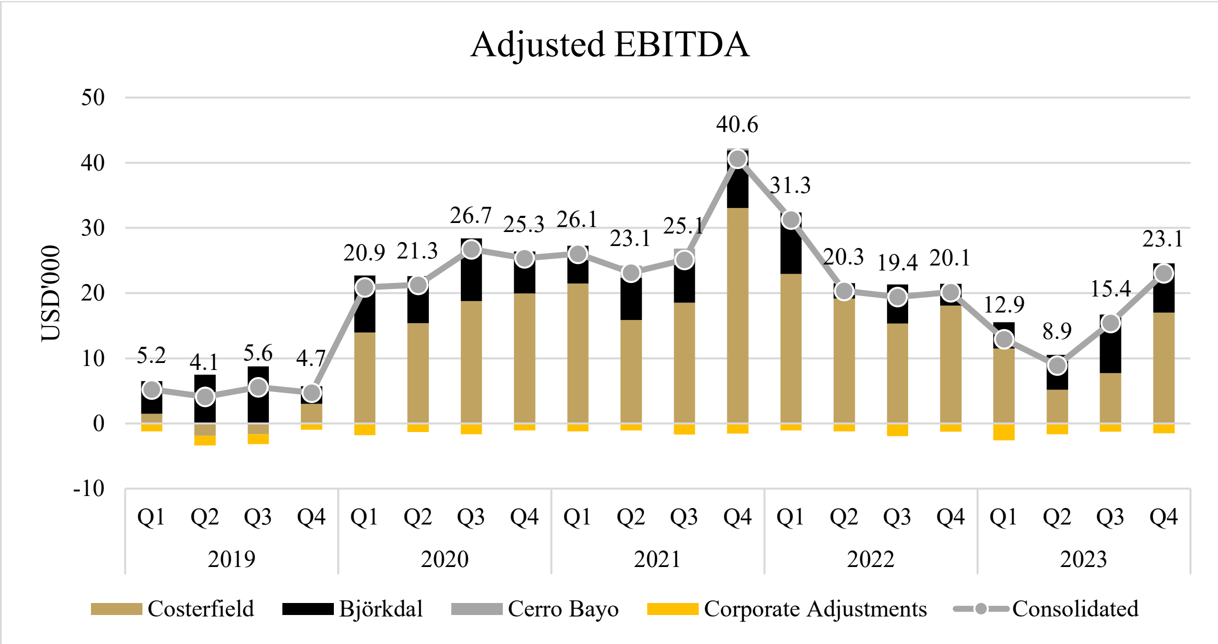
1. Cash cost and all-in sustaining cost are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. Refer to Section 1.14, "Non-IFRS Measures", for further information.
2. All-in sustaining costs in the current year includes 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

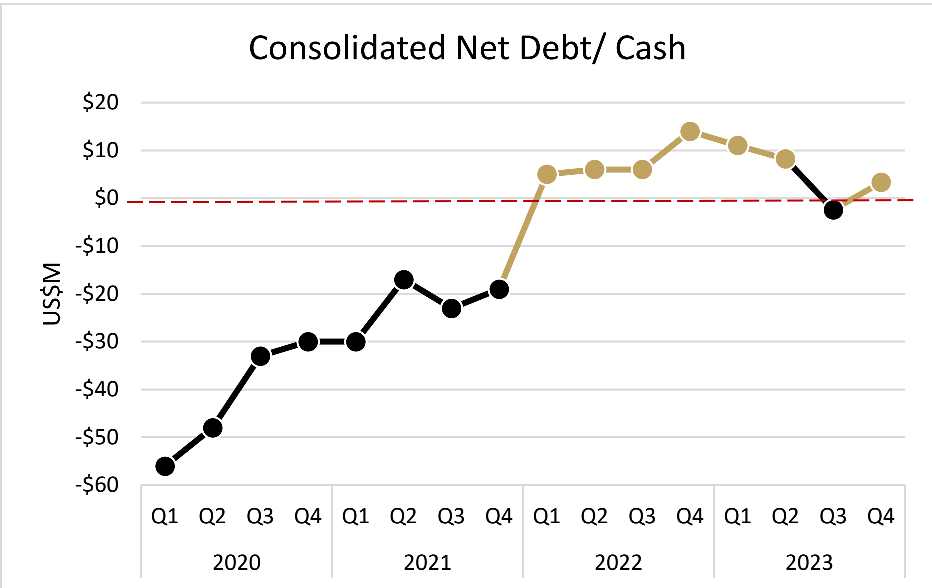
The following table sets forth a summary of the Company's consolidated financial results for the three months and year ended December 31, 2023 and 2022:

	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Revenue	50,588	41,381	173,344	191,699
Cost of sales	25,836	19,972	105,923	94,904
Income from operations (excl. depr. & depletion)[1]	24,752	21,409	67,421	96,795
General and administrative costs	1,681	1,272	7,093	5,616
Adjusted EBITDA[1]	23,071	20,137	60,328	91,179
Depreciation and depletion	8,986	8,207	33,210	33,874
Adjusted EBIT[1]	14,085	11,930	27,118	57,305
Finance costs	718	2,916	11,118	11,878
Unrealized loss (gain) on financial instruments	273	711	(4,448)	(5,247)
Gain on sale of subsidiary	-	-	-	(1,828)
Revision of reclamation liability, tax, forex and others[2]	10,379	7,260	12,587	28,996
Adjusted net income[1]	9,653	5,202	10,596	26,971
Consolidated net income	2,715	1,043	7,861	23,506
Adjusted net income per share[1]	0.10	0.06	0.11	0.29
Consolidated net income per share	0.03	0.01	0.08	0.26
Total assets	295,248	282,224	295,248	282,224
Total liabilities	98,316	98,070	98,316	98,070
Total equity	196,932	184,154	196,932	184,154
Consolidated capital expenditures[3]				
Capital development	2,821	3,248	12,141	12,269
Property, plant and equipment purchases	4,148	4,919	18,297	17,797
Capitalized exploration	2,543	2,861	11,963	10,620
Total	9,512	11,028	42,401	40,686

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 increase in EBITDA in Q4 2023 was mainly due to higher revenue from both operating sites. These factors are described in more detail for both sites in *Section 1.1 Results of Operations*.



Quarterly Exploration Highlights

At Costerfield, the drilling focus shifted from Shepherd and Youle, in the northern portion of the field, to the south where drilling commenced on several Cuffley extension targets. Drilling of the Brunswick Deeps program was also put on hold while drilling resources were focused on a prospective panel to the east of the Brunswick Deposit.

Results from the Brunswick Deeps program as well as an update on the Shepherd drilling programs were described in the Company's Q3 2023 MD&A.

The regional focus remained on the True Blue line where extension and step-out drilling commenced testing along a 1 km strike length to the south of the mineralization described in early 2023.

In early 2024, near-mine exploration will continue the focus on extensional drill testing at Cuffley and Brunswick. Drilling will also commence on the westward progression of the Shepherd veining system.

At Björkdal, near mine drilling was concluded on the infill drilling to the east (Central Zone) and to the north (Boreal Zone) whilst continuing on the eastern and depth extension of Aurora. A new program commenced focusing on the depth and northern plunge extension of the Björkdal mineralization.

There was no regional drilling at Björkdal during Q4 2023 however assaying and analysis was ongoing from drilling in Q3 2023 on the extension of the Norrberget Mineral Resource and the Storheden mineralization.

Drilling will continue on the Northern depth extension of Björkdal as well as the eastern depth extension of Aurora through early 2024. Drilling will also commence on the depth extension to the Lake Zone Skarn orebody.

Outlook

Mandalay anticipates improvements to its production profile in 2024 at both operating sites. At Costerfield, stoping will continue at the higher-grade central area of the Youle deposit and production from the Shepherd deposit will ramp up. At Björkdal, work will continue around implementing improved mining efficiency protocols and the commissioning of the mill conversion will ramp up targeting completion in early Q2 2024. Additionally, increased production from the higher-grade Eastern Extension zone at Björkdal will continue in 2024.

The Company's 2024 production and cost guidance is set out below (please see press release dated January 16, 2024).

	Björkdal	Costerfield	Consolidated
	2024E		
Gold production (oz)	43,000 – 47,000	41,000 – 44,000	84,000 – 91,000
Antimony production (t)	-	1,100 – 1,500	1,110 – 1,500
Gold eq. production (oz)(1)	43,000 – 47,000	47,000 – 53,000	90,000 – 100,000
Cash cost, $/oz gold eq.(2)	1,270 – 1,390	850 – 970	1,050 – 1,170
All-in sustaining $/oz gold eq.(2,3)	1,690 – 1,850	1,080 – 1,260	1,450 – 1,580
Capex, $ million	20 – 24	21 – 25	41 – 49

1. Assumes average metal prices of: Au $1,900/oz, Sb $11,000/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 all-in sustaining costs per Au Eq. oz includes corporate overhead spending.

Mandalay's 2024 cost guidance takes into account the following factors and assumptions:

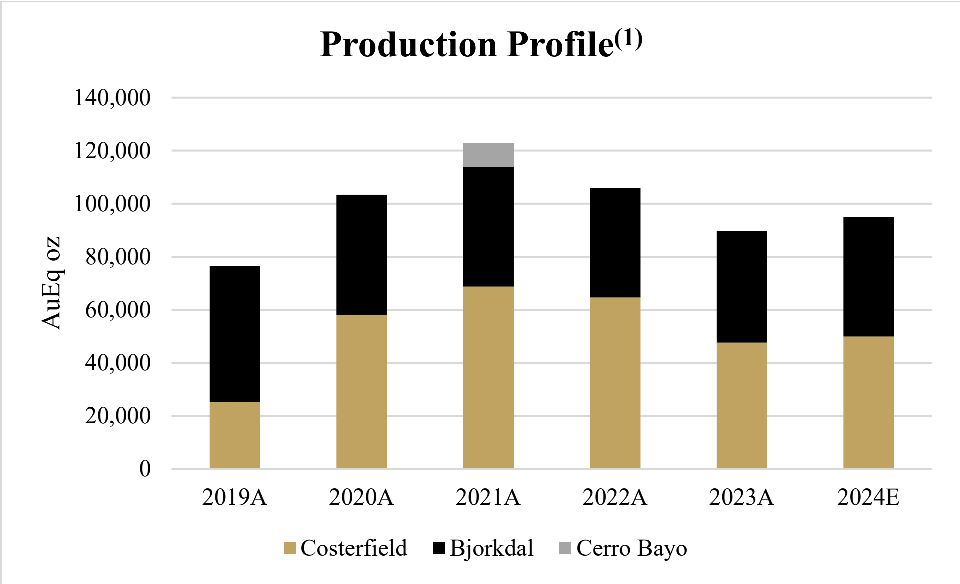
Foreign exchange:

- Average 2023 rates: AUD/USD 0.665 and USD/SEK 10.61
- Guidance 2024 rates: AUD/USD 0.670 and USD/SEK 10.30

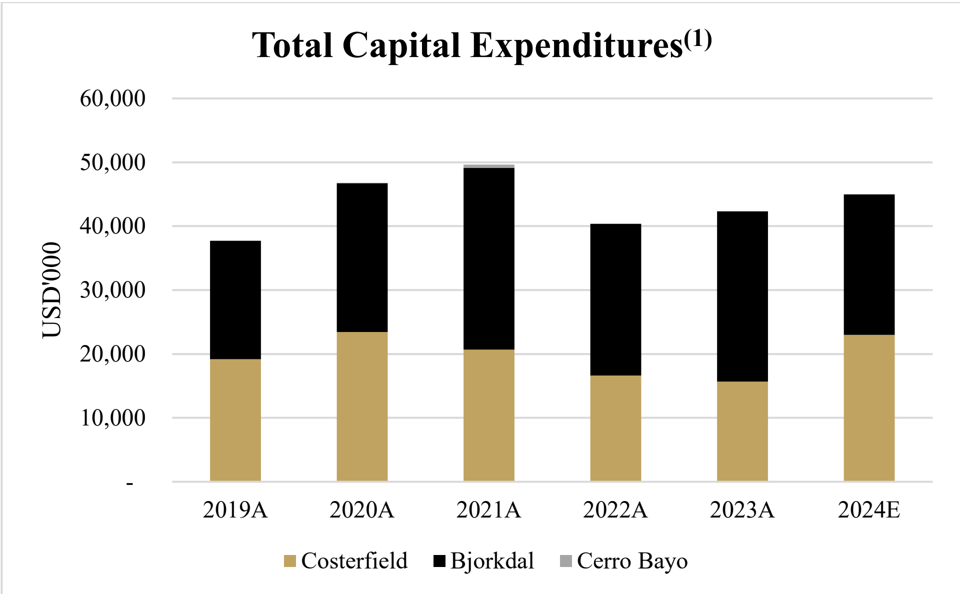
Capital exploration spending is as follows:

- Björkdal: $3-4 million
- Costerfield: $9-11 million

Capital expenditures at Costerfield to be carried out at the tailings storage facilities of $4-6 million.



1. 2024E average revised production graphed.



1. 2024E average CAPEX graphed

1.1 RESULTS OF OPERATIONS

Costerfield Gold-Antimony Mine, Victoria, Australia

Costerfield Financial Results

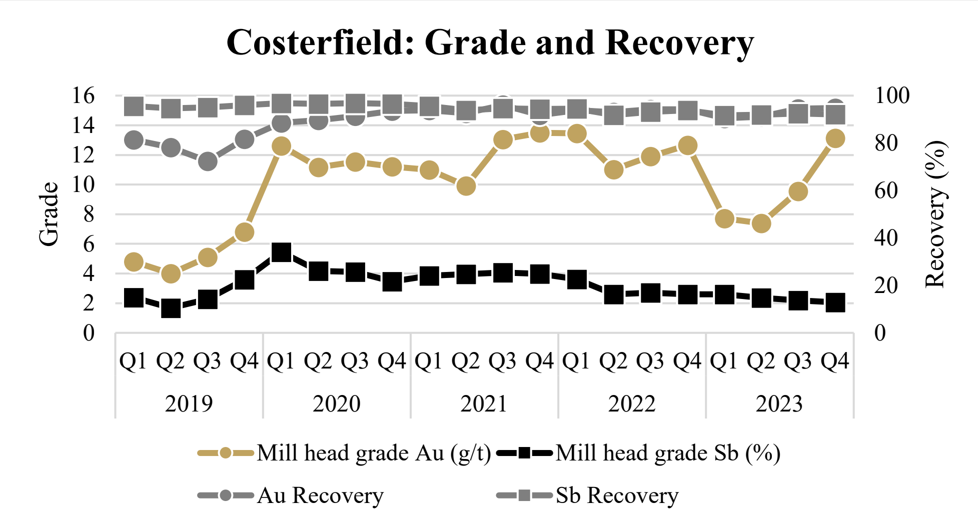
	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Revenue	28,466	25,767	91,359	116,803
Cost of sales	11,247	7,678	49,880	41,153
Income from operations (excl. depr. & depletion)[1]	17,219	18,089	41,479	75,650
General and administrative costs	346	191	1,808	933
Adjusted EBITDA[1]	17,024	18,085	41,390	75,538
Depreciation & depletion	3,369	3,076	12,580	14,446
Adjusted EBIT[1]	13,504	14,822	27,091	60,271
Unrealized gain on hedge	-	(83)	(2,923)	(931)
Finance costs, forex and others[2]	1,334	4,902	5,707	(667)
Income before tax	12,170	10,003	24,307	61,869
Current tax expense	3,363	2,620	4,867	15,358
Deferred tax (recovery) expense	(481)	221	1,799	3,303
Adjusted net income[1]	9,494	7,079	15,442	42,277
Consolidated net income after tax	9,288	7,162	17,641	43,208
Capital development	368	678	3,159	3,521
Property, plant and equipment purchases	1,904	1,584	4,531	6,697
Capitalized exploration	1,925	1,747	8,006	6,421
Total capital expenditures	4,197	4,009	15,696	16,639

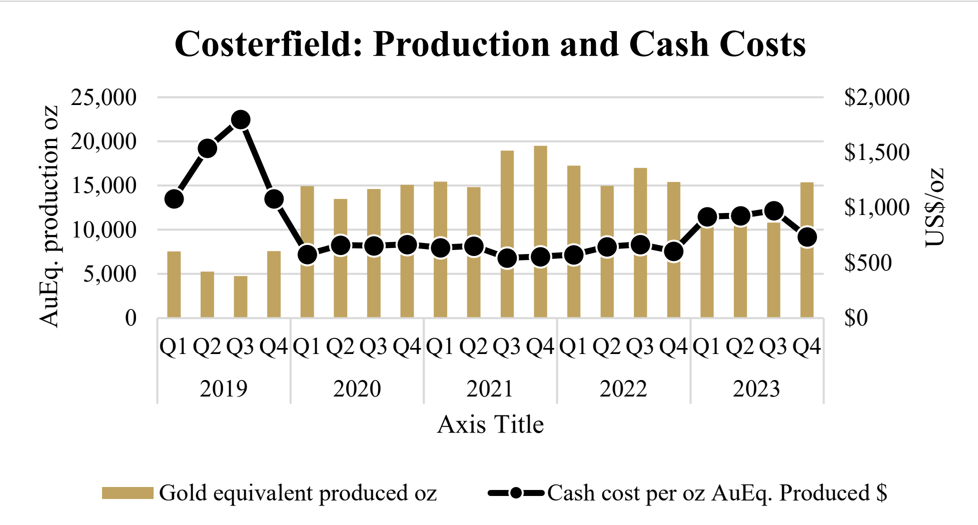
1. Income from operations (excl. depreciation & depletion), Adjusted EBITDA, Adjusted EBIT and Adjusted net income are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. Refer to Section 1.14, "Non-IFRS Measures", for further information.
2. Finance costs includes settlement of gold hedge of nil and $4,312,000 in the three months and year ended December 31, 2023 and $797,000 and $3,280,000 in the corresponding periods of 2022. 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.

Costerfield Operating Results

		Three months ended December 31		Year ended December 31	
		2023	2022	2023	2022
Operating development	m	801	739	3,376	3,532
Mined ore	t	33,710	30,430	128,813	137,462
Mined ore Au grade	g/t	11.51	11.75	9.39	12.71
Mined ore Sb grade	%	1.94	3.56	2.02	2.89
Mined contained Au	oz	12,477	11,496	38,883	56,173
Mined contained Sb	t	653	1,083	2,607	3,970
Mining cost per tonne ore	$/t	190	174	189	167
Processed ore	t	33,866	32,996	136,086	138,484
Processed ore mill head grade Au	g/t	13.14	12.65	9.40	12.21
Processed ore mill head grade Sb	%	2.06	2.60	2.30	2.87
Recovery Au	%	94.81	94.23	93.08	93.83
Recovery Sb	%	92.02	93.77	92.00	93.37
Saleable Au produced	oz	13,016	12,085	36,057	47,887
Saleable Sb produced	t	404	504	1,860	2,292
Saleable Au equivalent produced	oz	15,383	15,427	47,661	64,659
Processing cost per tonne ore	$/t	71.01	56.46	63.34	57.83
Au sold in gravity concentrate	oz	7,416	7,979	23,145	32,597
Au sold in floatation concentrate	oz	4,327	3,724	11,713	15,840
Au sold (total)	oz	11,743	11,703	34,858	48,437
Sb sold	t	454	484	1,909	2,316
Capital development metres	m	134	101	629	543
Capital development cost per metre	$/m	2,754	6,700	5,024	6,482
Cash cost per tonne ore processed (1)	$/t	335	284	307	291
Adjusted EBITDA per tonne ore processed (1)	$/t	503	548	304	545
Cash cost per oz Au eq. produced (1)	$/oz	738	608	876	624
Site all-in sustaining cost per oz Au eq. produced (1)	$/oz	920	800	1,120	830

1. 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, 2023 and 2022

- ***Production*** – Saleable gold production for Q4 2023 was 13,016 ounces, an 8% increase from the 12,085 ounces produced in Q4 2022. The increase was mainly due to higher processed gold grades during the current quarter as compared to Q4 2022. Saleable antimony production during Q4 2023 was 404 tonnes, a 20% decrease from the 504 tonnes produced in Q4 2022. This was mainly due to lower processed antimony grades during the current quarter as compared to Q4 2022. Gold equivalent production for Q4 2023 was 15,383 ounces, a slight decrease from the 15,427 gold equivalent ounces produced in Q4 2022. Notably, as compared to previous quarters of 2023, Costerfield's gold equivalent production increased significantly, primarily due to higher underground mined gold grades during the current quarter. Additionally, the issues leading to lower milled tonnes stemming from processing transitional Youle to Shepherd ore have been mostly rectified with planned ongoing improvements to aid consistency of throughput.

- ***Revenue*** – Costerfield's revenue for Q4 2023 was \$28.5 million, a 10% increase from \$25.8 million in Q4 2022. This was mainly due to support from higher realized gold prices during the current quarter as compared to Q4 2022 as the gold equivalent ounces sold decreased by 3% to 14,403 ounces in Q4 2023 as compared to 14,913 ounces in Q4 2022.

- ***Operating Costs*** – Cost of sales, excluding depletion and depreciation at Costerfield, was \$11.2 million for Q4 2023, compared to \$7.7 million during Q4 2022. The increase in the current quarter was due to higher mining and tailings management costs, and also due to the value of inventory movements between the comparative quarters.

- ***Income from Operations*** – Income from mine operations before depreciation and depletion at Costerfield during Q4 2023 was $17.2 million, adjusted EBITDA was $17.0 million, adjusted net income was $9.5 million and net income after tax was $9.3 million. Comparable results for Q4 2022 were income from mine operations before depreciation and depletion of $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. The decrease in income from operations was due to increase in cost of sales offset by the increased revenue during Q4 2023.

- ***Depletion and Depreciation*** – Depletion and depreciation expense at Costerfield increased to $3.4 million in Q4 2023, compared to $3.1 million for Q4 2022 mainly due to higher depletion rate per unit produced in the current period.

- ***Cost per Ounce*** – Cash cost per ounce of saleable gold equivalent produced at Costerfield in Q4 2023 was $738 compared to $608 in Q4 2022. All-in sustaining cost per ounce of saleable gold equivalent produced in Q4 2023 was $920 compared to $800 in Q4 2022. These per ounce costs were higher mainly due to increased operating costs as compared to Q4 2022.

- ***Capital Expenditures*** – Capital expenditures in Q4 2023 totaled $4.2 million ($0.4 million in capital development costs, $1.9 million for exploration, and $1.9 million in property, plant and equipment) as compared to the $4.0 million ($0.7 million in capital development costs, $1.7 million for exploration, and $1.6 million for property, plant and equipment) during Q4 2022.

Costerfield – Years Ended December 31, 2023 and 2022

- ***Production*** — Saleable gold production in 2023 was 36,057 ounces, a 25% decrease from the 47,887 ounces produced in 2022. Saleable antimony production for 2023 was 1,860 tonnes, a 19% decrease from the 2,292 tonnes produced in 2022. Gold equivalent production for 2023, was 47,661 ounces, a 26% decrease from the 64,659 gold equivalent ounces produced in 2022. This was largely driven by lower mined and processed underground tonnes due to fleet availability and production interruption issues, which led to lower grade stockpile ore being processed and also affected by mined and processed grades.

- ***Revenue*** – Costerfield's revenue in 2023 was $91.4 million, a 22% decrease from $116.8 million in 2022. This was due to the decrease in gold equivalent ounces sold during 2023 as compared to 2022. Gold equivalent ounces sold decreased by 29% to 46,758 ounces in 2023, as compared to 65,414 ounces in 2022. The main factors which impacted this were changes to the mine plan schedule resulting in lower grades on the extremities of the orebody being mined and developing into the top of the Shepherd orebody which is more complex veining.

- ***Operating Costs*** – Cost of sales excluding depletion and depreciation at Costerfield was $49.9 million in 2023, compared to $41.2 million for 2022. This increase was mainly due to the value of inventory movements between the years.

- ***Income from Operations*** – Income from mine operations before depreciation and depletion at Costerfield during the year 2023, was $41.5 million, adjusted EBITDA was $41.4 million, adjusted net income was $15.4 million and net income after tax was $17.6 million. Comparable results for 2022 were income from mine operations before depreciation and depletion of $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.

- ***Depletion and Depreciation*** – Depletion and depreciation expense at Costerfield decreased to $12.6 million in 2023, compared to $14.4 million for 2022 mainly due to lower production during the current year.

- ***Cost per Ounce*** – Cash cost per ounce of saleable gold equivalent produced at Costerfield for 2023 was $876 compared to $624 in 2022. All-in sustaining cost per ounce of saleable gold equivalent produced in 2023 was

$1,120 compared to $830 in 2022. These per ounce costs were higher mainly due to lower gold equivalent production during the current year.

- ***Capital Expenditures*** – Capital expenditures in 2023 totalled $15.7 million ($3.2 million in capital development costs, $8.0 million for exploration, and $4.5 million in property, plant and equipment) as compared to the $16.6 million ($3.5 million in capital development costs, $6.4 million for exploration, and $6.7 million for property, plant and equipment) during the year 2022. The decrease in capital expenditures was mainly due to lower amounts spent on tailings facilities and the processing plant during the current year.

Björkdal Gold Mine, Sweden

Björkdal Financial Results

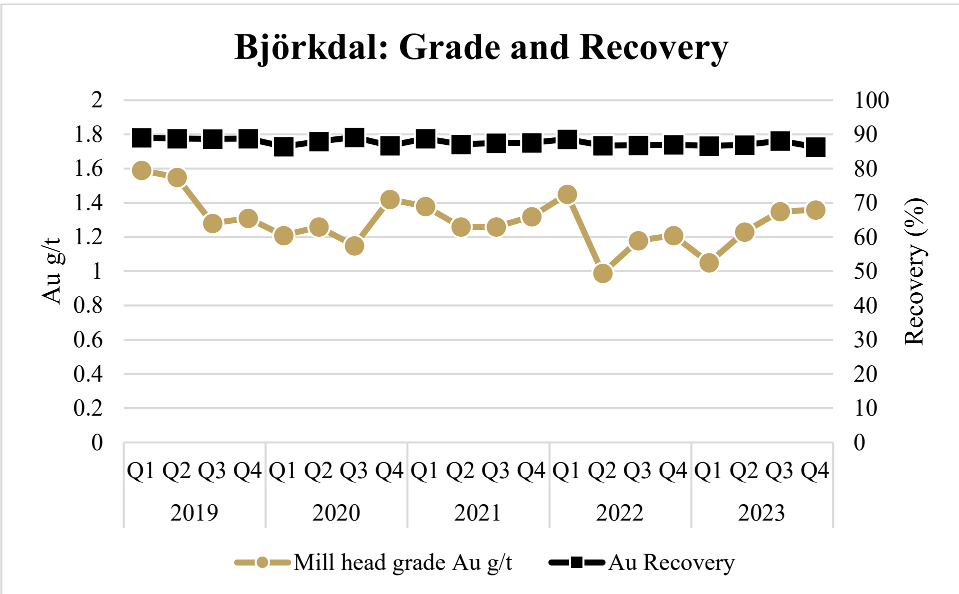
	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Revenue	22,122	15,614	81,985	74,896
Cost of sales	14,589	12,294	56,043	53,751
Income from operations (excl. depreciation & depletion) (1)	7,533	3,320	25,942	21,145
General and administrative costs	130	135	1,394	634
Adjusted EBITDA (1)	7,533	3,320	25,942	21,145
Depreciation & depletion	5,616	5,131	20,630	19,426
Adjusted EBIT (1)	1,787	(1,946)	3,918	1,085
Unrealized loss (gain) on hedge	-	1,127	(2,803)	(5,609)
Finance costs, forex and others (2)	(2,663)	(661)	6,702	14,530
Income (loss) before tax	4,450	(2,412)	19	(7,836)
Current tax recovery	-	(11)	-	-
Deferred tax expense (recovery)	960	(970)	21	(1,885)
Adjusted net income (loss) (1)	3,490	347	(2,805)	(10,909)
Consolidated net income (loss) after tax	3,490	(1,431)	(2)	(5,951)
Capital development cost	2,453	2,570	8,982	8,748
Capital purchases	2,244	3,335	13,766	11,100
Capitalized exploration	618	1,114	3,891	3,885
Total capital expenditure (3)	5,315	7,019	26,639	23,733

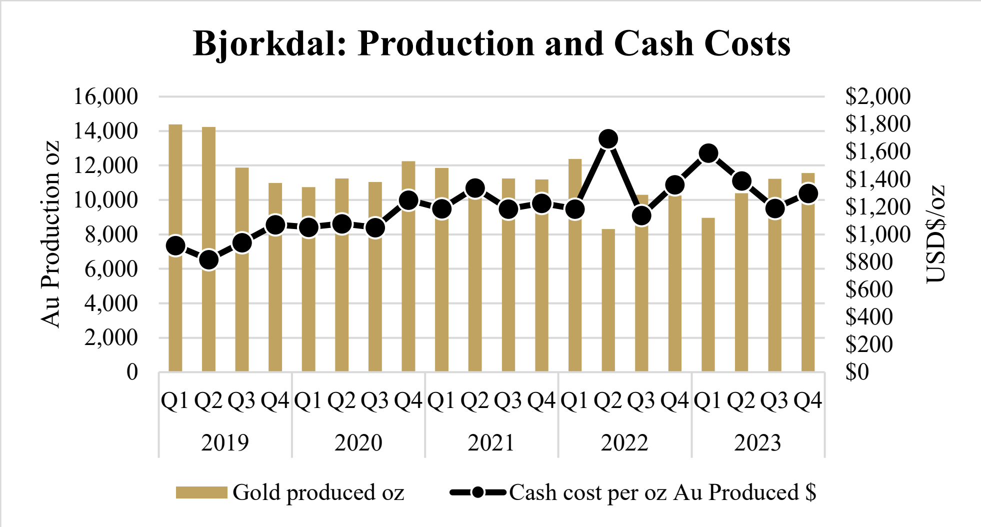
1. Income from operations (excl. depreciation & depletion), adjusted EBITDA, adjusted EBIT and adjusted net income are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. Refer to Section 1.14, "Non-IFRS Measures", for further information.
2. Finance costs includes the settlement of gold hedges of $nil and $3,979,000 for the three months and year ended December 31, 2023 compared to $701,000 and $4,594,000 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.
3. Includes capitalized depreciation on equipment.

Björkdal Operating Results

		Three months ended December 31		Year ended December 31	
		2023	2022	2023	2022
Operating development	m	1,508	1,337	5,340	5,495
Mined ore	t	288,256	246,042	1,093,148	1,100,241
Mined ore Au grade	g/t	1.42	1.36	1.34	1.28
Mined contained Au	oz	13,163	10,725	46,944	45,440
Mining cost per tonne ore	$/t	28.85	28.50	29.96	26.44
Processed ore	t	306,741	311,576	1,239,414	1,249,350
Processed ore mill head grade Au	g/t	1.36	1.21	1.25	1.21
Recovery Au	%	86.33	87.06	87.08	87.34
Saleable Au produced	oz	11,558	10,256	42,148	41,247
Processing cost per tonne ore	$/t	10.72	11.36	9.08	10.02
Au sold	oz	11,458	9,569	41,669	40,680
Capital development (underground)	m	734	722	2,890	3,075
Capital development cost per metre	$/m	3,340	3,441	3,108	2,802
Cash operating cost per tonne ore processed [1]	$/t	48.95	44.85	46.05	43.62
Adjusted EBITDA per tonne ore processed [1]	$/t	24.56	10.66	20.93	16.92
Cash cost per oz Au produced [1]	$/oz	1,299	1,362	1,354	1,321
Site all-in sustaining cost per oz Au produced [1,2]	$/oz	1,664	1,810	1,749	1,692

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





Björkdal – Three Months Ended December 31, 2023 and 2022

- ***Production*** – Saleable gold production at Björkdal in Q4 2023 was 11,558 ounces, a 13% increase from the 10,256 ounces produced in Q4 2022 due to increased grades mainly coming from the Eastern Extension zone.

- ***Revenue*** – Björkdal's revenue for Q4 2023 was $22.1 million, an increase of 42% from $15.6 million generated in Q4 2022. This was due to an increase in gold equivalent ounces sold with 11,458 ounces in Q4 2023 as compared to 9,569 gold ounces in Q4 2022, together with higher realized gold prices during the quarter.

- ***Operating Costs*** – Cost of sales, excluding depreciation and depletion, at Björkdal was $14.6 million in Q4 2023, higher than $12.3 million for Q4 2022. The increase in the current quarter is due to higher mining costs and also due to the value of inventory movements between the comparative quarters.

- ***Income from Operations*** – Income from mine operations before depreciation and depletion at Björkdal for Q4 2023 was $7.5 million, adjusted EBITDA was $7.5 million, adjusted net income was $3.5 million and net income after tax was $3.5 million. Comparable results for Q4 2022 were income from mine operations before depreciation and depletion of $3.3 million, adjusted EBITDA of $3.3 million, adjusted net income of $0.3 million and net loss after tax of $1.4 million.

- ***Depletion and Depreciation*** – Depletion and depreciation expense at Björkdal was $5.6 million in Q4 2023, compared to $5.1 million for the same period in 2022. This increase was mainly due to higher production during the quarter.

- ***Cost per Ounce*** – Cash cost per ounce of saleable gold produced at Björkdal for Q4 2023 was $1,299, 5% lower as compared to $1,362 during Q4 2022. All-in sustaining cost per ounce of saleable gold produced for Q4 2023 was $1,664, 8% lower than the $1,810 during Q4 2022. This decrease in per unit costs was due to higher production during the current quarter as compared Q4 2022.

- ***Capital Expenditures*** – Capital expenditures at Björkdal for Q4 2023 totaled $5.3 million ($2.5 million in mine development costs, $0.6 million for exploration, and $2.2 million in property, plant and equipment) compared with $7.0 million ($2.6 million in mine development costs, $1.1 million for exploration, and $3.3 million for property, plant and equipment) during Q4 2022.

Björkdal – Years Ended December 31, 2023 and 2022

- ***Production*** – Saleable gold production at Björkdal for 2023 was 42,148 ounces, a 2% increase from the 41,247 ounces produced during 2022 primarily due to higher grades coming from the Eastern Extension zone in Q4 2023.

- ***Revenue*** – Björkdal's revenue in 2023, was $82.0 million, 9% higher than the $74.9 million generated in 2022. This was due to an increase in gold equivalent ounces sold with 41,669 ounces in Q4 2023 as compared to 40,680 gold ounces in Q4 2022 and the higher realized average gold prices at $1,963 per ounce compared to $1,817 per ounce in 2022.

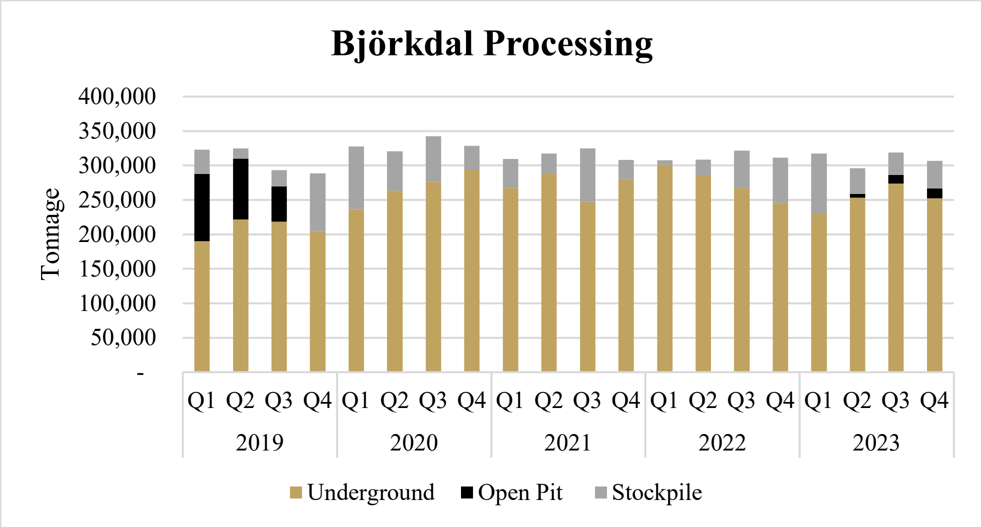
- ***Operating Costs*** – Cost of sales excluding depletion and amortization at Björkdal was $56.0 million in 2023, higher than $53.8 million during 2022. This increase was mainly due to an increased use of contractors in the underground mine, primarily for production drilling.

- ***Income from Operations*** – Income from mine operations before depreciation and depletion at Björkdal in 2023 was $25.9 million, adjusted EBITDA was $25.9 million, adjusted net loss was $2.8 million and net loss after tax was less than $0.1 million. Comparable results of 2022 were income from mine operations before depreciation and depletion of $21.1 million, adjusted EBITDA of $21.1 million, adjusted net loss of $10.9 million and net loss after tax was $6.0 million.

- ***Depletion and Depreciation*** – Depletion and depreciation expense at Björkdal increased to $20.6 million in 2023, compared to $19.4 million in 2022 due to the higher saleable gold production and 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 2023 was $1,354, 2% higher than the cash cost per ounce of gold produced in 2022 of $1,321. All-in sustaining cost per ounce of gold produced for 2023 was $1,749, 3% higher than the all-in sustaining cost per ounce of gold produced in 2022 of $1,692. These per ounce costs were higher in 2023 compared to 2022 mainly due to the higher mining cost.

- ***Capital Expenditures*** – Capital expenditures at Björkdal in 2023 totalled $26.7 million ($9.0 million in mine development costs, $3.9 million for exploration, and $13.8 million in property, plant and equipment) compared with $23.7 million ($8.7 million in mine development costs, $3.9 million for exploration, and $11.1 million for property, plant and equipment) during 2022. The increase in capital expenditures was primarily due to higher spend on plant and equipment; significant expenditures during the year includes a mill upgrade and a switchgear replacement.



Non-Core Properties

Lupin

The Company spent less than $0.1 million on care and maintenance at Lupin during Q4 2023 and Q4 2022. Reclamation spending at Lupin was $0.6 million and $0.8 million in Q4 2023 and full year 2023, respectively, compared to $1.0 million and $7.4 million respectively for the corresponding periods of 2022. Lupin is currently in the process of final closure and reclamation activities are partly funded by progressive security reductions. There will be increased reclamation spend in 2024 at Lupin relative to the 2023 year, but the majority of this reclamation work to achieve the majority of closure obligations, is expected to take place in the 2025 calendar year. As at December 31, 2023, $8.7 million in restricted cash stands as a deposit against the present value of reclamation cost obligations of $19.4 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 Q4 2023, which was similar to the comparative period in 2022.

1.2 FOURTH QUARTER FINANCIAL RESULTS

Summary Financial Performance

	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Revenue	50,588	41,381	173,344	191,699
Cost of sales	25,836	19,972	105,923	94,904
Income from operations (excl. depr. and depletion) (1)	24,752	21,409	67,421	96,795
Depreciation and depletion	8,986	8,207	33,210	33,874
Income from mining operations	15,766	13,202	34,211	62,921
General and administrative costs	1,681	1,272	7,093	5,616
Adjusted EBITDA(1)	23,071	20,137	60,328	91,179
Finance costs	718	2,916	11,118	11,878
Unrealized loss (gain) on financial instruments	273	711	(4,448)	(5,247)
Gain on sale of subsidiary	-	-	-	(1,828)
Revision of reclamation liability, forex and others(2)	6,537	5,400	5,900	12,220
Consolidated income before tax	6,557	2,903	14,548	40,282
Current tax expense	3,363	2,609	4,867	15,358
Deferred tax expense (recovery)	479	(749)	1,820	1,418
Adjusted net income (1)	9,653	5,202	10,596	26,971
Consolidated net income	2,715	1,043	7,861	23,506
Adjusted net income per share(1)	0.10	0.06	0.11	0.29
Consolidated net income per share	0.03	0.01	0.08	0.26
Total assets	295,248	282,224	295,248	282,224
Total liabilities	98,316	98,070	98,316	98,070
Total equity	196,932	184,154	196,932	184,154
Capital expenditures – Consolidated(3)				
Underground capital development	2,821	3,248	12,141	12,269
Property, plant and equipment purchases	4,148	4,919	18,297	17,797
Capitalized exploration	2,543	2,861	11,963	10,620
Total capital expenditures	9,512	11,028	42,401	40,686

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

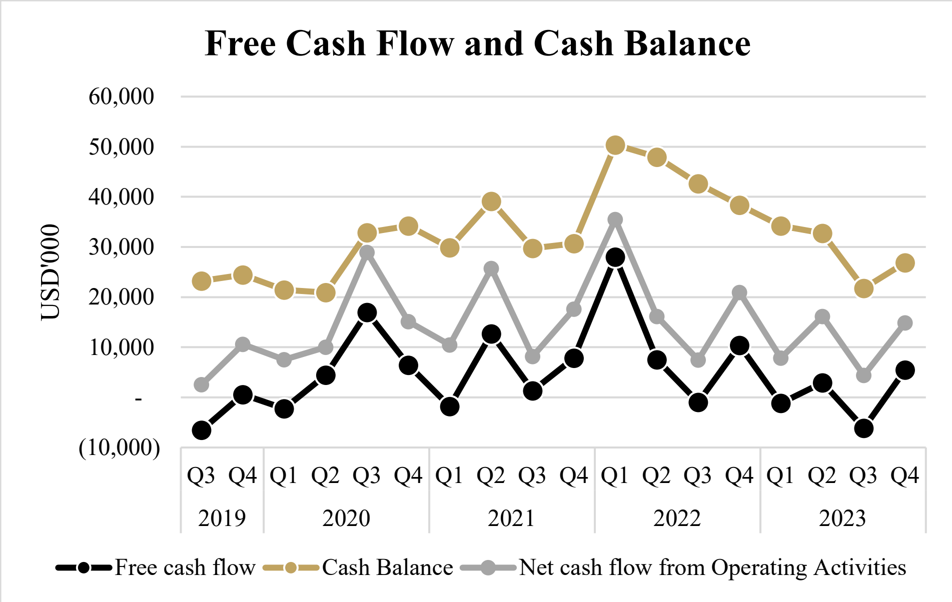
	As at December 31, 2023	As at December 31, 2022
	$'000	$'000
Cash and cash equivalents	26,855	38,377
Inventories, accounts rec. and other current assets	52,979	45,908
Total current assets	**79,834**	**84,285**
Property, plant and equipment	195,230	183,908
Reclamation deposits and other non-current assets	20,184	14,031
Total assets	**295,248**	**282,224**
Other current liabilities	31,905	37,225
Total current liabilities	**31,905**	**37,225**
Revolving Credit Facility – *non-current*	19,605	19,562
Non-current liabilities	46,806	41,283
Equity attributable to common shareholders	196,932	184,154
Total equity and liability	**295,248**	**282,224**

Summary Cash Flow

The table below summarizes the Company's cash flow for the three months and year ended December 31, 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 December 31, 2023	Three months ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2022
	$'000	$'000	$'000	$'000
Net cash flows from operating activities	**14,854**	**20,928**	**43,291**	**80,042**
Reclamation expenditures	590	963	776	7,435
Capital expenditures	(9,512)	(10,845)	(41,739)	(39,670)
Lease payments	(429)	(659)	(2,037)	(2,834)
Free cash flow[1]	**5,503**	**10,387**	**291**	**44,973**
Net reclamation expenditures	(668)	(963)	(4,387)	(5,059)
Proceeds from sale of assets	267	-	489	-
Net proceeds (repayment) on borrowings	(468)	(13,390)	853	(24,498)
Payment of gold derivative contracts	-	(1,038)	(8,776)	(7,610)
Purchase of common shares for cancellation	-	-	(293)	-
Proceeds from sale of marketable securities	-	303	253	303
Shares issued for cash	-	65	6	246
Effects of exchange rate changes	475	366	42	(716)
Net cash flow	5,109	(4,270)	(11,522)	7,639
Cash/cash equivalents, end of period	**26,855**	**38,377**	**26,855**	**38,377**

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 year ended December 31, 2023 and 2022. See Section 1.14, "Non-IFRS Measures", for more information.

	Three months ended December 31, 2023	**Three months ended December 31, 2022**	**Year ended December 31, 2023**	**Year ended December 31, 2022**
	$'000	**$'000**	**$'000**	**$'000**
Consolidated net income	2,715	1,043	7,861	23,506
Add/less: Special items				
Write-down of assets	206	651	724	651
Gain on sale of subsidiary	-	-	-	(1,828)
Revision of reclamation liability	6,459	2,797	6,459	9,889
Fair value loss (gain) on fin. Instruments	273	711	(4,448)	(5,247)
Adjusted net income	**9,653**	**5,202**	**10,596**	**26,971**
Add/less: Non-cash and finance costs				
Depletion and depreciation	8,986	8,207	33,210	33,874
(Gain) loss on disposal of PPE	(176)	32	(308)	334
Share based compensation expense	(141)	418	920	1,392
Finance charges	718	2,916	11,118	11,878
Current tax expense	3,363	2,609	4,867	15,358
Deferred tax expense (recovery)	479	(749)	1,820	1,418
Foreign exchange gain (loss)	744	1,871	(163)	791
Interest and other income	(555)	(369)	(1,732)	(837)
Adjusted EBITDA	**23,071**	**20,137**	**60,328**	**91,179**
Depletion and depreciation	8,986	8,207	33,210	33,874
Adjusted EBIT	**14,085**	**11,930**	**27,118**	**57,305**

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, 2023 and 2022. Refer to Section 1.14, "Non-IFRS Measures", for further information.

	Three months ended December 31, 2023	Three months ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2022
	$'000	$'000	$'000	$'000
Cost of sales, excluding depletion and depreciation	**25,836**	**19,972**	**105,923**	**94,904**
Add:				
General and administrative costs	195	4	89	112
Less:				
Change in inventory	1,082	4,115	(4,703)	3,085
Royalties	(749)	(735)	(2,481)	(3,255)
Total cash cost	**26,364**	**23,356**	**98,828**	**94,846**
Saleable Au equivalent produced (oz)	26,941	25,683	89,809	105,906
Cash cost per oz gold produced ($)	**979**	**909**	**1,100**	**896**

	Three months ended December 31, 2023	Three months ended December 31, 2022[1]	Year ended December 31, 2023	Year ended December 31, 2022[1]
	$'000	$'000	$'000	$'000
Total Cash cost	**26,364**	**23,356**	**98,828**	**94,846**
Add:				
General and administrative costs	1,475	1,268	6,908	5,480
Capital development	2,821	3,247	12,141	12,269
Capital purchases – sustaining	2,741	2,978	9,600	10,313
Capital exploration – infill drilling	202	196	2,296	1,247
Royalties	749	735	2,480	3,255
Accretion on rehabilitation provisions	162	225	716	403
Tailings dam amortization	410	364	1,496	1,464
All-in sustaining cost	**34,924**	**32,369**	**134,465**	**129,277**
Saleable Au equivalent produced (oz)	26,941	25,683	89,809	105,906
All-in sustaining cost per oz Au prod. ($)	**1,296**	**1,260**	**1,497**	**1,221**

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

Consolidated Financial Results - Three Months Ended December 31, 2023 and 2022

- ***Revenue*** – Consolidated revenue for Q4 2023 was $50.6 million, 22% higher than the $41.4 million in Q4 2022. Consolidated gold equivalent ounces sold increased to 25,861 ounces in Q4 2023 as compared to 24,482 ounces sold in Q4 2022. This increase in revenue in the current quarter as compared to Q4 2022 was due to higher gold equivalent ounces produced and therefore sold at Björkdal, together with higher realized gold prices during the quarter at $1,965 per ounce compared to $1,706 per ounce in Q4 2022.

- ***Operating Costs*** – Consolidated cost of sales, excluding depreciation and depletion, was $25.8 million for Q4 2023 compared to $20.0 million for Q4 2022. The increase in costs during Q4 2023 was mainly due to an increase in mining costs from additional contractors miners being used and inventory movements.

- ***Income from Operations*** – Consolidated income from mine operations before depreciation and depletion for Q4 2023 was $24.8 million, adjusted EBITDA was $23.1 million, adjusted net income was $9.7 million and net income after tax was $2.7 million. Comparable results for Q4 2022 were income from mine operations before depreciation and depletion of $21.4 million, adjusted EBITDA of $20.1 million, adjusted net income of $5.2 million and net income after tax of $1.0 million.

- ***Depletion and Depreciation*** – Depletion and depreciation expense in Q4 2023 was $9.0 million compared to $8.2 million in Q4 2022.

- ***Cost per Ounce*** – Consolidated cash cost per ounce of saleable gold equivalent produced for Q4 2023 was $979, an 8% increase compared to $909 during Q4 2022. Consolidated all-in sustaining cost per ounce of saleable gold equivalent produced for Q4 2023 was $1,296, a 3% higher than Q4 2022 of $1,260. The higher unit costs in Q4 2023 were mainly due to increased mining cost compared to Q4 2022.

- ***Capital Expenditures*** – Consolidated capital expenditures for Q4 2023, totaled $9.5 million ($4.2 million occurred at Costerfield and $5.3 million at Björkdal). By comparison, total capital expenditures, including capitalized depreciation and exploration, in Q4 2022 were $11.0 million ($4.0 million at Costerfield, $7.0 million at Björkdal).

Consolidated Financial Results - Years Ended December 31, 2023 and 2022

- ***Revenue*** – Consolidated revenue generated in 2023 was $173.3 million, a 10% decrease from $191.7 million in 2022, mainly due to lower gold equivalent ounces sold at Costerfield. Consolidated gold equivalent ounces sold decreased by 17% to 88,427 ounces in 2023, compared to 106,094 ounces in 2022.

- ***Operating Costs*** – Consolidated cost of sales excluding depletion and amortization was $105.9 million in 2023, compared to $94.9 million in 2022. The increase in costs during 2023 as compared to 2022 was mainly due a decrease in work-in-progress and stockpiled ore inventory due to the lower production during the year at Costerfield and increased mining costs mainly due to an increased use of contractors, primarily at Björkdal for production drilling.

- ***Income from Operations*** – Consolidated income from mine operations before depreciation and depletion in 2023 was $67.4 million, adjusted EBITDA was $60.3 million, adjusted net income was $10.6 million and net income after tax was $7.9 million. Comparable results for 2022 were income from mine operations before depreciation and depletion of $96.8 million, adjusted EBITDA of $91.2 million, adjusted net income of $27.0 million and a net income after tax of $23.5 million.

- ***Depletion and Depreciation*** – Depletion and depreciation expense decreased to $33.2 million in 2023 compared to $33.9 million in 2022.

- ***Cost per Ounce*** – Consolidated cash cost per ounce of gold equivalent produced in 2023, was $1,100, 23% higher than the cash cost per ounce of gold equivalent produced in 2022 of $896. Consolidated all-in sustaining cost per ounce of gold equivalent produced in 2023, was $1,497, 23% higher than the all-in sustaining cost per ounce of gold equivalent produced in 2022 of $1,221. These per ounce costs were higher in 2023 compared to 2022 primarily due to lower production and higher mining costs.

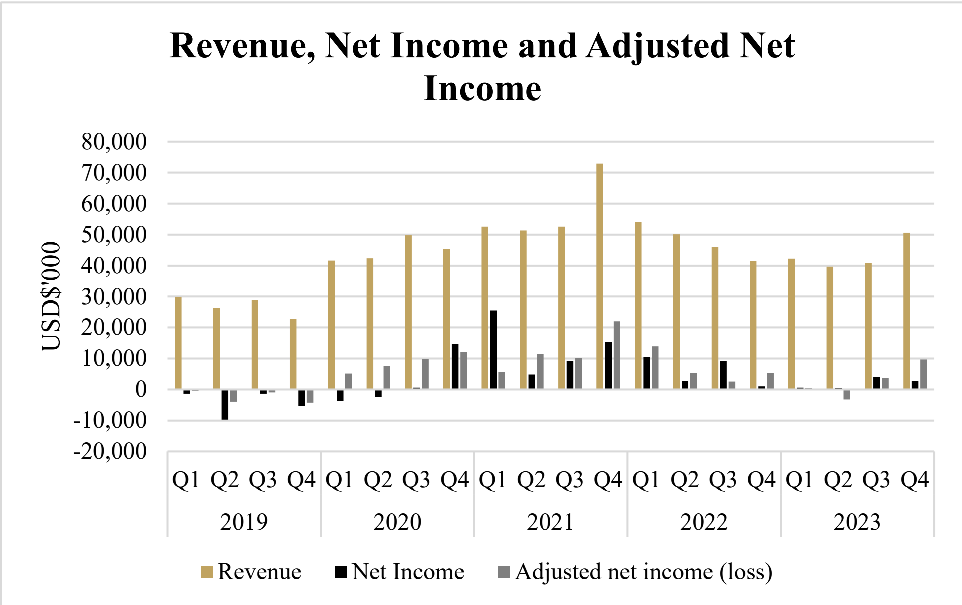
- ***Capital Expenditures*** – Consolidated capital expenditures in 2023, totalled $42.4 million ($15.7 million occurred at Costerfield and $26.7 million at Björkdal). By comparison, total capital expenditures, including capitalized depreciation and exploration, in 2022 were $40.7 million ($16.6 million occurred at Costerfield and $23.7 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 4 2023	Quarter 3 2023	Quarter 2 2023	Quarter 1 2023
	$'000	**$'000**	**$'000**	**$'000**
Revenue	50,588	40,907	39,670	42,179
Adjusted net income (loss)	9,653	3,654	(3,229)	518
Net income	2,715	4,068	524	554
Adjusted net income (loss) per share – Basic	0.10	0.04	(0.03)	0.01
Net income per share – Basic and diluted	0.03	0.04	0.01	0.01

	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



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.

2023 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 was entitled to 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 was financed from the Company's working capital.

There were no share repurchases under the NCIB during the three months ended December 31, 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 year ended December 31, 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 October 1, 2023 – December 31, 2023	Average Rate October 1, 2022 – December 31, 2022	Average Rate January 1, 2023 – December 31, 2023	Average Rate January 1, 2022 – December 31, 2022
1A$ = C$	0.8866	0.8919	0.8970	0.9036
1 A$ = US$	0.6515	0.6575	0.6645	0.695
1 US$ = C$	1.3609	1.3565	1.3499	1.3002
1 US$ = Chilean Peso	896	915	840	874
1 US$ = SEK	10.6501	10.7258	10.6139	10.1118

Markets – Commodity Prices

Realized prices of gold and antimony were higher in Q4 2023 as compared to Q4 2022. The average market and realized commodity prices for the reporting period are summarized in the table below:

Commodity	Prices October 1, 2023 – December 31, 2023	Prices October 1, 2022 – December 31, 2022	Prices January 1, 2023 – December 31, 2023	Prices January 1, 2022 – December 31, 2022
Realized gold US$/oz[1]	1,965	1,706	1,963	1,817
Average gold US$/oz – London PM close (Transamine)	1,980	1,722	1,944	1,801
Realized antimony US$/tonne[1]	10,987	10,944	12,120	12,965
Average antimony US$/tonne – Rotterdam Warehouse (Metal Bulletin)	11,603	11,488	12,054	13,170

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, 2023, the Company's working capital was $47.9 million compared to $47.1 million at December 31, 2022. The Company had cash and cash equivalents of $26.9 million as at December 31, 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 December 31, 2023. During the three months and year ended December 31, 2023, the Company paid nil and $8.8 million respectively, as settlement of expired gold derivatives contracts as compared to $1.0 million and $7.6 million in corresponding period of 2022.

On December 20, 2023, Mandalay entered into FX derivative contracts with the Scotia bank. These consist of AUD/USD contracts where Mandalay sells $3.4 million per month, buys AUD within a 0.6795 by 0.7000 costless collar; and USD/SEK contracts where Mandalay sells $3.4 million per month, buys SEK within a 9.50 x 10.25 costless collar, with monthly average rate settlements until December 2024. These derivatives are measured at fair value through profit or loss at the end of each reporting period. The Company recorded an unrealized fair value loss of $0.7 million for the year ended December 31, 2023.

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 December 31, 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 9.42%. Nominal interest rate of SOFR as at December 31, 2023 was 5.35% plus 2.85% margin.

As at December 31, 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 year ended December 31, 2023, the Company sold 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 consolidated statements of income and comprehensive income. The Company recorded an unrealized fair value gain of $0.3 million and loss of less than $0.1 million respectively for the three months and year ended December 31, 2023, using Level 1 assumptions. The value of securities as at December 31, 2023 is $0.9 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 December 31, 2023 is $1.0 million. Equus securities are stated at fair value with any resulting gain or loss recognized in the consolidated statements of income and comprehensive income. The Company recorded an unrealized fair value gain of less than $0.1 million and loss of $0.6 million for the three months and year ended December 31, 2023, using Level 1 assumptions.

Contractual Obligations as at December 31, 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	1,221	1,327	2,548
Other equipment loan obligations	631	812	1,443
Total contractual obligations	**1,852**	**22,139**	**23,991**

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 December 31, 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 92,923,925 common shares issued and outstanding. The weighted average number of shares outstanding during Q4 2023 used for the calculation of per share results were 92,883,925.

In Q4 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 December 31, 2023 are as follows:

Exercise Price C$	Grant Date	As of December 31, 2023	As of February 22, 2024	Expiry Date
2.43	May 12, 2023	88,043	88,043	30 June, 2030
2.63	February 23, 2023	252,688	252,688	30 June, 2030
2.65	February 25, 2022	295,175	295,175	30 June, 2029
2.14	February 25, 2021	294,747	294,747	30 June, 2028
0.61	March 20, 2020	714,666	674,666	30 June, 2027
1.10	April 8, 2019	280,000	280,000	30 June, 2026
2.00	April 2, 2018	199,500	199,500	30 June, 2025
6.00	March 27, 2017	140,000	140,000	30 June, 2024
Total		**2,264,819**	**2,264,819**	

No options were exercised during Q4 2023 compared to 76,093 options in the corresponding period of 2022. There were 2,264,819 options outstanding as of December 31, 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 December 31, 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, December 31, 2023	**282,040**
Redeemed	**-**
Balance, February 22, 2024	**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 December 31, 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, December 31, 2023	**788,968**
Redeemed	**-**
Balance, February 22, 2024	**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 December 31, 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, December 31, 2023	**422,827**
Redeemed	-
Balance, February 22, 2024	**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

On February 12, 2024, the Company entered into gold derivative contracts with the Macquarie Bank Ltd for a total of 25,008 ounces of saleable gold commencing from March-24 to December-24. These contracts are costless collar hedges with a floor price of US$1,980.00 per ounce and a ceiling of US$2,121.50 per ounce.

On February 15, 2024, the Company sought the approval of the Toronto Stock Exchange to make a normal course issuer bid ("NCIB") for up to 5% of its outstanding common shares.

There were no other 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).